S. Hrg. 98-40

FISCAL YEAR 1984 BUDGET REVIEW

HEARINGS
BEFORE THE
COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE
NINETY-EIGHTH CONGRESS
FIRST SESSION

FEBRUARY 15 AND 17, 1983

Printed for the use of the Committee on Environment and Public Works

U.S. GOVERNMENT PRINTING OFFICE
18-288 O WASHINGTON : 1983

S321-14

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FISCAL YEAR 1984 BUDGET REVIEW

TUESDAY, FEBRUARY 15, 1983

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C.

The committee met at 10:30 a.m., in room SD-406, Hon. John Chafee presiding.

Present: Senators Stafford, Chafee, Simpson, Durenberger, Humphrey, Randolph, Mitchell, Hart, and Baucus.

ENVIRONMENTAL PROTECTION AGENCY

Senator CHAFEE. The hour of 10:30 having arrived, and Senator Stafford not being present as yet, although I know he is very anxious to be here and will be along as soon as he can, I will start by reading Senator Stafford's opening statement.

OPENING STATEMENT OF HON. ROBERT T. STAFFORD, U.S. SENATOR FROM THE STATE OF VERMONT

This morning we are scheduled to hear from the Administrator of the Environmental Protection Agency on the funding levels and activities proposed for that agency in the President's budget. We also have as a witness a representative from the environmental public interest community.

The purpose for hearings such as this one is to provide committee members with an opportunity to review both the activities of an agency under past budgets and proposed future activities and funding levels.

Events and press reports of the past few weeks have focused attention on one particular area of EPA's activities: the implementation of the Comprehensive Environmental Response, Compensation and Liability Act, known more popularly as "Superfund."

The Senator from Vermont, for one, is deeply troubled by the accounts currently appearing in the press. I am proud to say that I was one of the principal authors of the Superfund law, together with Senators Randolph and Chafee. The law was enacted to address the growing and pressing national need for a solution to the ever-spreading threat of poisonous chemicals in the environment.

I announced earlier this year my intention to hold oversight hearings on Superfund to determine whether EPA is moving as efficiently and effectively as it can under the Act to respond to emergencies and to clean up existing hazardous substance disposal sites.

While I intend to ask some questions of the Administrator this morning related to those issues, and would expect that some of my colleagues may also pursue similar inquiries, I wish to emphasize that today's hearing is not meant to concentrate exclusively or primarily on Superfund.

We are working with the Administrator and committee members to schedule additional time, beginning next week or the week thereafter, to explore in detail the implementation of the Superfund law.

Budget issues other than those related to Superfund that I expect to be raised during the course of the morning will focus on proposed decreases in the agency's operating budget.

The proposed operating budget for fiscal 1984 is 8.5 percent lower than the 1983 appropriation and 20.4 percent lower than the 1982 appropriation.

Within the operating budget, grants to states would experience an overall 26-percent decrease from estimated 1983 levels, based on an analysis by the Congressional Research Service. These proposed reductions come at a time when agency policy is to turn over to the states more responsibility for running the federally-mandated pollution control programs.

There is also proposed a 10-percent reduction from 1983 spending levels in funds for research and development. The proposed funding represents a 34-percent reduction from 1981 levels. Significant reductions in enforcement funds for some media programs are also proposed.

Thus, while modest increases are proposed for activities to clean up pollution under Superfund—and I do not know whether these increases are sufficient—substantial decreases are suggested for programs that are designed to prevent pollution in the first place.

I hope today's hearing will provide a basis for this committee's recommendation of the level of funding needed for EPA to carry out its extensive and very important responsibilities. Decisions to save dollars this year must be weighed against the costs—in dollars and in damage to humans and the environment—in future years.

Mrs. Gorsuch, I want to welcome you on this occasion to the Environment and Public Works Committee. I look forward to your testimony and to the discussion to follow.

Senator **CHAFEE**. Knowing our chairman, being the gallant, thoughtful person he is, I am sure he would want to add congratulations. I understand you were married last Saturday, Mrs. Gorsuch.

Mrs. **GORSUCH**. Thank you, Senator, but that, like so many rumors floating around EPA, also was untrue. I plan to be married next Sunday.

Senator **CHAFEE**. I don't know who told me that, but in any event, congratulations.

Mrs. **GORSUCH**. Thank you, Senator.

Senator **CHAFEE**. Senator Randolph?

OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator **RANDOLPH**. Thank you, Senator Chafee.

Mrs. Gorsuch, we wish you happiness regardless of the date.

Mrs. **GORSUCH**. Thank you, Senator.

Senator **RANDOLPH**. Welcome to this hearing, and, welcome to your colleagues. This is not just a routine hearing. It is very important. There are crucial problems that all of us on this committee will examine regarding the many important areas of the Environmental Protection Agency's budget proposal for the coming fiscal year.

I am concerned, and I think it is an understandable concern, that the purpose for this hearing may be somewhat obscured by the shadow of recent events in the agency. I am not saying that that is an overriding matter, but it is something that you and all of us would want to consider.

The current situation in the Office of Solid Waste and Emergency Response raises certain questions. The credibility, the integrity, and the continuity of these programs, as you know, being mandated by the Solid Waste Disposal Act and the Superfund program, are of vital importance to not only the Congress but to all of our people as well.

These programs require leadership, a very easy word to use but in this instance it has to have a certain substance to it, a certain vision to it, and a certain spirit to it.

I think these issues will be addressed by the committee, with your help, independent of other matters, in the near future.

The fiscal year 1984 budget proposal presents several troublesome questions. These certainly require your attention and our attention. The proposed decrease in support for the water quality program raises the larger issue of using the budget as a tool to effect major policy changes. That we want to check very carefully.

The agency proposed revisions to water quality standard regulations in October of last year which emphasize a site specific, water quality-based approach to pollution control. Revisions of this kind are incompatible with the goals that were set forth in the Clean Water Act.

The budget proposal for this program identifies continued work in this direction as a priority with the Agency. A policy change of this magnitude in the guise of a budget proposal, I think, is very questionable.

A second and persistent concern that I share with others is the recommended level of State grant funding. The proposal calls for a decrease of 26 percent overall from that which experience showed was needed last year. This assumes the ability of States to accept increased administrative burdens with a smaller Federal commitment. As competition increases for scarce State resources, the level of effort directed to environmental programs, I think naturally, will falter.

Repeatedly the public has evidenced support for a strong environmental protection program, and the public is correct. It is imperative that the administration and Congress recognize this as something that is not just to be desired but a mandate that is to be followed.

These two areas require our prompt attention. I think that there are other items in the EPA budget that will need to be examined also.

In conclusion, you can trust members of this committee to be objective, regardless of party label. We will look at the total proposal as we assess the ability of the agency to carry out its mandate of protecting the health of the American people.

Your testimony, Mrs. Gorsuch and your responses to the questions will be helpful to you and to us in understanding how EPA plans to operate in 1984. That is a good reason for us to meet here today.

Thank you, Mr. Chairman.

OPENING STATEMENT OF HON. JOHN H. CHAFEE, U.S. SENATOR FROM THE STATE OF RHODE ISLAND

Senator Chafee. Thank you, Senator Randolph.

I have an opening statement which is as follows: Mrs. Gorsuch, I join with my colleagues on the committee in welcoming you this morning to discuss with us your budget request for fiscal year 1984 and, obviously, during the course of your remarks, to discuss the current state of affairs at the Agency.

I have some concerns, as have already been voiced by the chairman and by Senator Randolph, about your proposed budget. One of these is the same concern that I expressed to you at last year's budget hearing. At a time when State budgets are clearly under stress from actions we are taking here in Washington, your proposed budget further diminishes the grants to State and local governments provided to bridge this gap. Your proposal for 1984 is 25 percent below what Congress provided in 1983, just as your 1983 proposal was 25 percent below the previous year.

I appreciate your interest, and our interest, in slowly pulling back Federal assistance from the States so that the States will pick up more of the responsibility. However, I am not sure that the work is being done at the State level.

I have respect for the State programs, but they will not be able to provide the same amount of environmental protection with as much reduced money as you are suggesting, in my judgment.

The Clean Air Act amendments that we are now considering and will be considering further in the next several weeks, the Clean Water Act amendments that were passed in 1981 which are so familiar, require the States, as you know, to monitor, to do research, to issue permits, and to conduct enforcement activities. They won't be able to accomplish these things, in my judgment, with the funds that you are requesting. These actions: the monitoring, the research, the permit issuing, and particularly the enforcement activities, are the essence of a successful program and the true meaning of federalism. At a minimum, I expect that on this committee we will recommend to the Budget Committee funding commensurate with the current fiscal year.

The other issue that we can't avoid discussing today, although the chairman mentioned in his remarks that this is primarily a budget hearing, but nonetheless the discussion certainly will touch on the current state of affairs at EPA. For a variety of reasons, this administration's stewardship of our environmental laws is being called into question. As both the chairman and Senator Randolph well know and have mentioned, most of the laws that you have the responsibility for administering were drafted in this very room by this committee. They are complicated laws. We recognize that. They are not easy to administer. We are cognizant of the problems that you and Mr. Hedeman and others in your agency have. These laws affect a broad spectrum of interests. However, the public's confidence that they are being administered fairly and in accord with what the title of your agency calls for—it is an environmental protection agency—is crucial.

So, Mrs. Gorsuch, I want to stress that I have great respect for the senior staff that you have assembled at the Environmental Protection Agency. They work long and hard hours to implement and carry out these laws, and the Nation is fortunate to have their services. I don't want their accomplishments in any way tarnished, as I am sure you don't either. Although we will be having oversight hearings on the Superfund program at a later date, as the chairman mentioned, I expect that today you will address yourself to the issue of the credibility of the agency.

Our goal must be to maintain the confidence of the American people that the laws are being carried out aggressively and evenhandedly, consistent with the intent of Congress.

We look forward to your testimony and the remarks you have.

Senator **Randolph**. Senator Chafee, before another member of the committee speaks, and not to correct the percentage that you have mentioned, but I think it is 26 percent instead of the 25 percent figure that you used.

Senator **Chafee**. Thank you, Senator.

Using the early bird rule, in order of appearance, I think Senator Durenberger was next.

OPENING STATEMENT OF HON. DAVE DURENBERGER, U.S. SENATOR FROM THE STATE OF MINNESOTA

Senator **Durenberger**. Thank you, Mr. Chairman. I don't have a formal opening statement. Tomorrow the subcommittee that I now chair will be holding a hearing on the subjects raised by both of the previous speakers—that is, the abatement control section and the impact on State and local government in particular. I would appreciate it, since you are not going to be there tomorrow, and I don't think anybody else from the agency is going to be there tomorrow, Mrs. Gorsuch, if you could, in your opening comments, dwell on some of the rationale behind budget cuts in that area, on the Federal interest that is being preserved in that area, and how you believe that by cutting out funding we are going to improve the administration of the abatement control and permitting process. That, together with the testimony we are going to hear tomorrow, would be helpful to this committee.

I do have some questions I will ask you, but, as I read newspapers and listen to comments here, I am worried that we aren't going to get to the subject today. I think it is a terribly vital part of the budget.

Senator **Chafee**. Thank you, Senator.

Senator Mitchell?

OPENING STATEMENT OF HON. GEORGE J. MITCHELL, U.S. SENATOR FROM THE STATE OF MAINE

Senator **Mitchell**. Thank you, Mr. Chairman.

Mrs. Gorsuch, I join the other members of the committee in welcoming you here today and wish you very well in your forthcoming marriage. We look forward to hearing you discuss the Environmental Protection Agency's budget and its mandate to protect and preserve our Nation's air, water, and land resources, the very basis of healthy life in this country.

The Congress created the agency with that mandate in 1970 and has since then specified the responsibilities that enable the EPA to carry out its mandate.

We are here today to discuss the EPA's budget. To me, the extent to which the Agency is committed to its mandate is reflected in, and measured by, the resources that it is willing to devote to its tasks.

I appreciate your appearance here today to explain your budget request. Let me say at the outset that, like other members of the committee, I am deeply dismayed that for the third consecutive year the administration has requested a reduction in EPA's resources. Including this year's request, the cumulative effect of your three budget requests would, if granted, have amounted to a reduction of about 40 percent in the EPA's operating budget when adjusted for inflation. At a time when your agency's responsibilities are rapidly growing, you simply cannot discharge those responsibilities by constantly reducing your resources.

In this case, less is not more. A huge reduction in resources must inevitably produce a reduction in the agency's effectiveness, and that is precisely what has occurred. The budget reductions were initially justified by the administration as a step toward more efficient management of the agency. There are clearly very few Americans who would now accept that characterization. Rather, the repeated effort by this administration to reduce the resources available to the Environmental Protection Agency, combined with inaction in other critical areas, raises the serious and profoundly disturbing question of whether we are witnessing a systematic attempt to dismantle the agency and a failure to uphold and enforce this Nation's environmental laws, all in a manner directly contrary to the plain and repeatedly expressed views of the Congress and the truly overwhelming majority of the American people. This committee and this Congress bear a heavy responsibility to insure that that does not occur.

I conclude by saying to you, Mrs. Gorsuch, that you simply cannot come here year after year after year and say, we can do more with less. You cannot. It was not obvious the first time. It may not have been obvious the second time. It is obvious to everybody in this country now that you cannot and are not. This budget simply, in my judgment, cannot be approved by this committee.

Senator CHAFEE. Senator Baucus?

OPENING STATEMENT OF HON. MAX BAUCUS, U.S. SENATOR FROM THE STATE OF MONTANA

Senator BAUCUS. Thank you, Mr. Chairman.

Mrs. Gorsuch, you knew when you came here what the reaction of this committee would be to the budget. I think that the statements you just heard, particularly from the Senator from Maine, the Senator from West Virginia, and the Senator from Rhode Island, shows that this committee is very skeptical of, in fact disappointed with, and more than that probably somewhat distressed with the agency's budget submission to this committee and, frankly, the action the administration has taken generally.

We are reflecting the views of the public. Unfortunately, Congress, as an institution probably does not lead as much as it should. Congress, as an institution, I think, tends to follow the public's reactions, feelings, and moods. Sometimes Congress does lead in moments of crisis. Sometimes it does not. We are moved by the people. And more than that, I think that this committee will begin to face the crisis that is perceived to exist in the country. That is the crisis of environmental protection.

As the Senator from Maine pointed out, there is a feeling in the country and also in this committee that the EPA no longer cares. It doesn't care about the environment anymore. There is a question of whether it ever did care. The budget cuts, about 30 percent since 1981 across the board, research and development cuts about 34 percent since 1981, do not indicate to us that the agency cares. The post of Assistant Administrator for Research and Development has not yet been filled. It has been practically 2 years. That seems to be an indication that the administration doesn't care about research and development.

If we are going to serve the country, we have to have the resources with which to do so. This committee and this Congress does not want to pile program upon program. It does not want to waste money. It certainly cannot in these times.

On the other hand, we have an obligation to fulfill, and I am very hopeful that the administration and the agency will see the light and begin to meet its mandate. I hope that these hearings will explore that possibility more fully. Thank you.

Senator **Stafford** [presiding]. Senator Humphrey?

Senator **Humphrey**. Thank you, Mr. Chairman. I don't care to make an opening statement, except to welcome Mrs. Gorsuch and her staff.

Senator **Stafford**. Good morning, Mrs. Gorsuch.

Mrs. **Gorsuch**. Good morning, Mr. Chairman.

Senator **Stafford**. My apologies for being late this morning. I left the house in time to be here, but highway conditions were such that it simply couldn't be done even with a tank.

We are pleased you are here. We are ready to hear your statement.

STATEMENT OF HON. ANNE M. GORSUCH, ADMINISTRATOR, ENVIRONMENTAL PROTECTION AGENCY, ACCOMPANIED BY KATHLEEN M. BENNETT, MORGAN KINGHORN, WILLIAM HEDEMAN, GENE LUCERO, REBECCA HANMER, AND COURTNEY RIORDAN

Mrs. **Gorsuch**. Thank you, Mr. Chairman, members of the committee. Let me state from the outset, as I have repeatedly stated since taking office, that I am fully committed to the environmental values and goals that have been established by this Congress and by the American people. Those goals are the protection of the health, the welfare, and the environmental values of the people of this country. That commitment has never wavered.

We are here today to talk about a budget. I am I guess disappointed that the members of the committee, or at least so many of them, have prejudged this budget before presentation by the administration. It is a proposal that indeed does have a reduction in our operating budget and a substantial increase that we are requesting from Congress in our Superfund budget.

I would like to state clearly for the record that we are operating on a budget that is appropriated to us by Congress. Our last year's budget indeed had reductions in it. Those were appropriated to us by Congress. We are here today proposing a budget for congressional action. We think it is fully substantiated in terms of the details and the policies that will continue to carry out our environmental values throughout this country.

Having said that, I appreciate this opportunity to outline the President's 1984 budget for the Environmental Protection Agency. With me today are the Associate and Assistant Administrators who manage our programs. The Agency continues to make solid progress in environmental protection, but that progress can often be overshadowed by the glare from sensational media accounts. I would like to lay before you our progress to date and our proposals for 1984.

FISCAL YEAR 1984 BUDGET REQUEST

The President is requesting $948.6 million for our operating programs supported by 8,050 permanent workyears for 1984. We are also requesting $310 million supported by 619 permanent workyears for the expanded implementation of the hazardous substances response program, Superfund. Finally we are requesting $2.4 billion for the municipal sewage treatment construction grants program.

These three major components of our budget total just under $3.7 billion or a very slight decrease from 1983 of about one-half of 1 percent. Our request for the operating program component does represent a 9 percent reduction in dollars and 5 percent in permanent workyears. The Superfund program would increase by 48 percent in dollars and remain almost level in permanent workyears. We have again requested $2.4 billion for the waste treatment program, but we are not requesting additional funds for combined sewer overflow projects.

OUR COMMITMENT REMAINS THE SAME—A BETTER ENVIRONMENT

The President's budget proposals reflect our continued commitment to improving the environment and incorporating fewer and less dramatic programmatic changes than we proposed last year. We have been successful in implementing most of the significant redirections of our resources in the last 2 fiscal years, while making fundamental managerial improvements. The proposals for the 1984 budget year represent the fruits of these successes and a candid recognition of several areas where we think further reform is necessary.

WE HAVE RESULTS TO SHOW OUR COMMITMENT IS REAL

When I appeared before you a little less than a year ago to discuss the 1983 budget, I presented an honest and direct series of proposals to improve environmental protection through more effective utilization of our personnel and financial resources. This year our proposals continue those basic commitments supplemented by a solid record of fundamental achievements attained over the last 2 years.

Last year I described our intentions to initiate major management improvements in many of the programs that had never fulfilled their legislative promise. In many cases, firm legal commitments had been delayed in a managerial system that seemed to require a utopian plan before a program could take practical first steps to address pressing environmental concerns. In some cases, these delays resulted in squandering enormous investments made over periods of many years. We have improved EPA's performance.

Basic reforms building on the investments of the past have resulted in major improvements in meeting statutory requirements. The previously existing backlog in the review of State implementation plans in the air program has been reduced by 98 percent. Through management streamlining, and concurrent with a budget reduction of 50 percent in 1982, we have been able to propose 14 effluent guidelines and promulgate 12 where before only one was delivered after an investment of more than $100 million. For the first time we are on track with the court-ordered deadlines. This would not have happened without the detailed management reforms we have undertaken.

In the chemical testing area we have reduced the backlog of overdue decisions on chemical testing by 24 percent. In 1982 we were meeting, for the first time ever, the statutory deadlines for making such decisions. In the pesticides area, backlogged applications for pesticide registrations have been reduced by 97 percent, experimental use permits by 83 percent, and tolerances by 76 percent.

We have been equally successful in the mundane area of administrative backlogs—the very type of problem that can drive States and the regulated community to distraction. The backlog in grants and other assistance agreements has been reduced by 95 percent in 1982. In March 1982, 36 percent of invoices awaiting payments to contractors or vendors were more than 30 days old. We are no longer delinquent. The backlog of unresolved audits has dropped from 653 to 5 in the last 18 months. This list is merely a sampling of our successes.

We focused last year's proposals on improving our relationships with our State partners. Although all our 1983 funding proposals were not accepted, we coupled the approved changes with many initiatives to improve our operations. Again, I believe we have a record of real achievement.

Our successes in the last 2 years are a reflection of the firm commitment of our State partners as well as our own improvements. Delegations to States in fulfillment of our responsibilities under the laws have increased by 70 percent.

Specifically, in the air programs, the delegation of responsibility for prevention of significant deterioration, has increased by 126 percent; new source performance standards delegation has increased 38 percent; and the State assumption of the national emissions standards for hazardous air pollutants has increased by 32 percent.

Our success in water programs is equally dramatic. Delegation under the national pollutant discharge elimination system has increased to 35 states, including a dramatic increase in approved State pretreatment programs. Full delegation of the construction grants programs, nationwide, has nearly quadrupled.

In our newest regulatory responsibility, hazardous waste, interim authorizations for phase I have increased from 6 to 35 States, and 8 States have been granted hazardous waste phase II authorizations to permit incinerators and storage facilities.

We are working to sustain these indications of Agency progress. That is becoming increasingly difficult. Effective delegation is a vital component of nearly every one of our statutes. These achievements do not happen by accident and have required a strong management effort. We are proud of our accomplishments fulfilling the federalism provisions of your environmental laws.

I instituted significant changes in our enforcement operations, and our results in late 1982 and 1983 bear witness to the fact that our approach is now providing more effective and coordinated enforcement than has existed in the past. Increased delegations to the States have encouraged growing State enforcement activities, which in turn have built a strong partnership.

Our enforcement reforms are having an increasing effect on the quality as well as quantity of the enforcement program. In 1982, our regional offices initiated 170 new cases as opposed to 88 in 1981, including 51 hazardous waste cases, more than any previous year in EPA history.

In association with our State partners, in one area alone, hazardous waste, we have jointly conducted almost 24,000 inspections of generators, transporters, and treatment, storage and disposal facilities since the hazardous waste regulations became effective in November 1980. This sampling of results indicates that the 1,500 permanent positions that we are requesting, coupled with State resources devoted to all types of enforcement, are an active force to achieve environmental progress.

Finally, the redirection of our research effort during the last 2 years was intended to focus funds on projects most related to our specific regulatory responsibilities, including a continuing effort to initiate basic research to anticipate longer range problems. Our reforms also influenced the research program. Research, as you know, frequently takes several months and often years to impact programs. However, our activities since 1981 have already borne successful results. We have accelerated our scientific review of hazardous air pollutants. The monitoring network for inhalable particulates has been improved and will now be transferred to the States. The monitoring methods work in support of effluent guidelines is substantially completed. The water quality criteria documents have had the scientific "gaps" eliminated to the satisfaction of the scientific community. We have also investigated health hazards attributable to land treatment of municipal waste water, evaluated treatment systems, reviewed new plant designs, and considered some alternative processes for the control of municipal waste water. In many cases these projects are approaching successful completion.

These commitments have now been translated through the time and enormous energy of EPA employees into effective environmental contributions.

CONTINUED PROGRESS FOR 1984

Our budget proposals for 1984 are firmly rooted in the successes of the last 2 years. They also reflect what we have learned and our desire to continue environmental progress. Our experience demonstrates that we can achieve environmental progress without increasing demands on the American taxpayers. We will continue to improve our programs so that we can address the remaining environmental problems facing this Nation. Mr. Chairman, I would like to focus now on the resources we are requesting for 1984 in the several key program areas.

IMPLEMENTATION OF THE CLEAN AIR ACT

In terms of clean air, the President's proposals for the air programs, outside of the 17-percent reduction in State grants discussed later, reflect the ongoing responsibilities we face in 1984. For that reason, we have proposed no reductions from 1983 in the regional air quality program because of the anticipated Federal workload on State implementation plan revisions, air toxics and other new requirements. These employees are responsible for policy guidance and technical assistance to States and local areas in implementing our regulatory requirements.

We have increased our research support for the national hazardous air emissions standards by $1.3 million to insure their adequate and timely completion. Our enforcement effort continues at the same levels as 1983, as we maintain our focus on the most significant violators. The 17-percent reduction in State grants is based on our belief that improvements in Federal and State operations as well as alternative sources of revenue will enable States to effectively operate with a reduction in the Federal share of their total resource support.

CHANGING PRIORITIES IN THE CLEAN WATER ACT

In terms of water, the President's budget for the implementation of the Clean Water Act reflects several things: one, successful implementation of our responsibilities; two, changing funding priorities to support new work required by the law; and three, policy choices that chart the most direct path to clean water progress possible in 1984.

First, we are requesting reductions in the effluent guideline regulatory and research efforts, a result of our significant achievement in completing the guidelines so long ago requested by Congress. In addition, funding for the clean lakes and Chesapeake Bay programs and the research component—let me underline research component—of the Great Lakes program we are requesting be eliminated. This reduction fulfills the commitment of the Appropriations Committees to end Federal support of these programs in 1983. We continue to believe that water research elsewhere in the budget applies to the problems in the Great Lakes, and the heretofore earmarking is an unnecessary duplication.

Finally, we are proposing reductions in construction grants management resources, both our own personnel and the support we purchase through an interagency agreement with the Corps of Engineers. This reduction represents our successful delegation of these responsibilities to a point where we can reduce our technical assistance and direct oversight while sustaining effective programs. These reductions, which total about one-third of the reductions in the water program, are in areas where we have successfully met the statute's requirements.

We are proposing an increase in resources in two major areas. First, we have supplemented by $2 million the effort for section 301(h) permitting of marine-based wastewater treatment systems. This increase builds on personnel increases already planned for in 1983. In the second area of increase we are also requesting an additional $2 million, supported by 14 additional workyears, to assist

States in developing a water-quality-based approach to pollution control.

In two major areas we are proposing reductions associated with changing Federal responsibilities in the light of past investments. We are requesting a $30 million reduction in State section 106 grants. We believe that the States have alternative sources of funding in the relatively new section 205(j) water quality planning grants.

Our proposal should result, if implemented, in the states using section 106 funds primarily for enforcement and permitting while using section 205 (j) and (g) where appropriate to support other activities involved in water quality protection. We believe that it is possible for States to sustain overall funding for section 106 activities, especially enforcement and permitting activities, near 1983 levels from these three grant sources. No one grant should be taken in isolation.

We also propose to eliminate funding for engineering research. We will continue to support the innovative wastewater technologies program and to seek improved ways to manage sludge. However, in the development of control technologies we believe it is now more appropriate for industry to take that responsibility where necessary.

MOVING FORWARD ON HAZARDOUS WASTE IMPLEMENTATION

We are on track in our regulatory development and implementation program for hazardous waste. The essential regulatory pieces are finally in place. Our research effort will continue to support cost-effective implementation of land disposal and incinerator regulations. We have transferred our exploratory program to another portion of the budget and we have completed the necessary work in areas such as waste storage and spill technology.

While we complete work on many regulatory impact analyses, we will begin new efforts to address wastes and processes not adequately regulated. These efforts include such areas as waste oil, burning of hazardous wastes in boilers and organic chemical wastes.

Our predominant concern is to insure that the permitting program, the regulation effort, and the delegation to States are carefully balanced. To provide an adequate Federal permitting effort through 1984 we are requesting an increase of $3 million so that the relatively short-term Federal role will be adequate to transfer the program fully to the States and territories.

Our grant support declines only slightly. We will maintain our enforcement effort at the same level as in 1983, which was substantially increased over 1982, to insure with our State partners, compliance with the statutory requirements.

In short, we are making substantial efforts to implement the hazardous waste program. Our efforts are greater than in 1981—as they should be. State grants are up 60 percent; research personnel are up 77 percent; and resources devoted to permitting have increased dramatically since 1981. Our successful delegation approach and the promulgation of the core regulations—something that did not occur for 6 years prior to this administration—express our very real commitment much more effectively and eloquently than merely the numbers.

WE CONTINUE TO IMPROVE THE SCIENCE BASE OF OUR ACTIONS

Our total research budget declines only about 10 percent from the 1983 levels. However, there are many areas that are increasing. As I mentioned earlier in the air program, we are increasing our efforts for the scientific assessment of hazardous air pollutants. Research in the water quality based approach will parallel increases in regional technical assistance. Acid rain research we are again increasing, by $1.5 million, to a total of $14 million in fiscal year 1984. Total Governmentwide funding for acid rain, if granted, will be $27.6 million, an increase of $4.3 million over 1983. Quality assurance efforts are enhanced by $1.3 million in Superfund, drinking water, and pesticides. Finally, we are seeking an increase of nearly $1 million for improving toxic risk assessments.

We shall maintain other areas of critical concern. Total health effects resources will be funded at $51 million, a slight increase to provide information necessary to protect the health of the American people. Groundwater research will remain at the 1983 level of $8 million, which we believe will provide necessary scientific and technical information. The health, environmental, and monitoring research efforts supporting the implementation of the hazardous waste program will continue at comparable 1983 levels.

The reductions we are requesting would come in the following areas. Approximately $17 million, or nearly 75 percent, of the research reductions are in the control technology area. Although the agency's current role includes developing and implementing regulatory activities based on best available scientific information, we do not believe it is EPA's role to provide the regulated community with the specific technology to comply with the regulations. However, we will continue in 1984 to emphasize the assessment and evaluation of control technologies in support of specific regulatory efforts. The one exception will be the continuance of the limestone injection multistage burner, which we believe is a critical additional component to the acid rain effort.

In total, these relatively modest reductions in our research effort represent a continuing commitment to improve the science base of our regulatory actions in the most effective and efficient manner.

MOVING FORWARD ON SUPERFUND IMPLEMENTATION

The President's budget increases funds for Superfund by 48 percent and resources for site cleanup—which is the heart of the program—by nearly 55 percent. If numbers alone are important, in 1982 we obligated approximately 81 percent of the funds appropriated in this program, including 90 percent of all site cleanup funds. More important, however, than obligation or expenditure rates is the overall movement in the program. We intend in 1984, if permitted, to act aggressively to resolve the most critical hazardous site problems facing the Nation.

We will significantly expand the number of sites where response actions will be conducted. Funds for emergency removal and the development, design, and implementation of long-term remedial solutions will increase by 70 percent in 1984. We intend to initiate actions at 55 new sites on the recently developed list of 418, representing an increased activity of approximately 37 percent. We are encouraging our State partners to assume an increasing leadership role in managing response actions. The action cannot be left to the Federal Government alone. We anticipate awarding $95 million in cooperative agreements for State actions, an increase of 98 percent over 1983. Finally, our enforcement effort will increase dramatically. We are requesting an $8 million increase to continue to compel privately financed response actions and to recover the cost of Federal response activities.

Our Superfund efforts are a responsible approach to an extremely complex and pervasive problem, one that, as you all know, has been allowed to accumulate over the past 40 years. I believe our record remains clear and our commitment remains strong. There are no easy or quick answers to this program, like most of our other responsibilities. However, in a program this complex and just barely 2 years old, our record is one of achievement.

AN EVOLVING RELATIONSHIP WITH OUR STATE PARTNERS

Our proposals for the State grant programs include an overall reduction of 26 percent or $60 million. The reductions are composed of three elements: Discontinued grants; alternative funding sources for the water 106 grants; and program streamlining and alternative revenue sources for the other grants.

We believe that these are feasible proposals. They include reductions ranging from 3 percent in hazardous waste to 23 percent in public water supply grant program based on actions we have already taken, those we intend to take, and those which the States can take to reduce the cost of operating these programs.

Outside of the two discontinued grants for clean lakes and the National Rural Water Association and the special justification for the section 106 water grant, both of which I discussed earlier, the other grants are cut an average of 14 percent. Since the Federal share is, in total, about one-half the total resource base, the reductions in total grant funding range from 4 to 12 percent, depending upon the grants in question.

ENFORCEMENT RESOURCES INCREASE DRAMATICALLY

We are requesting an increase in enforcement and legal resources of $12 million or 13 percent over 1983. In 1984, our enforcement program will contain $103 million and 1,500 permanent positions. The major increases are in the water quality program—for section 301(h) permitting activities—and in Superfund. In both cases, our dollar increases will provide increased support to the technical enforcement program essential to effective implementation. There are other increases we are seeking in hazardous waste, toxic substances, and the Office of Legal and Enforcement Counsel. In total, our request represents a firm and increasing commitment to solid enforcement activity.

OUR PROPOSALS DESERVE A HEARING ON THEIR MERITS

Our budget proposals for 1984 deserve analysis rather than rhetoric. Our proposals for both 1982 and 1983 have resulted in environmental progress. In some cases, programs that were dormant are productive today. Those results make us confident that the approach we have taken does make sense. Our previous proposals have saved the American taxpayer hundreds of millions of dollars. Our proposal for 1984 alone will save the American taxpayers nearly $200 million over the 1981 appropriations. These savings have been achieved while we continue environmental progress through a series of actions: Improved outputs in every program; addressing a growing number of the most dangerous hazardous waste sites; improved management of our basic regulatory processes in the agency, such as in the toxics, new source performance standards, effluent guidelines, and pesticides programs, and basic and essential regulatory reform efforts that have enabled us to implement our statutory responsibilities in a much more sensible and effective manner.

Thank you, Mr. Chairman, members of the committee, for your attention. I would be glad to respond to any questions which you may have regarding our 1984 budget proposals.

Senator **STAFFORD**. Thank you very much, Mrs. Gorsuch.

Might I remind my colleagues on the committee that last year we had the custom of recognizing members in the order in which they appeared at meetings of this kind, which probably means the chairman should come last.

Senator **CHAFEE**. You are an exception to the rule, I think, Mr. Chairman.

Senator **STAFFORD**. I am going to take advantage of the traffic conditions and say that I would have been on time had the roads been adequately plowed.

I would also like to remind members that last year, when we had a number of questions, we often imposed a 10-minute rule on ourselves. I would intend to do that again this morning, if that is agreeable. We will have a second round of questions if that is necessary.

I think it is fair to point out that this was originally scheduled to be a budget hearing, and while questions may go adrift from that particular subject, I remind members again that it is the Chair's intention to schedule a second hearing in order to go further into matters like Superfund, beyond the scope of the budget questions.

Knowing that due to the weekend weather, Mrs. Gorsuch, you and your staff may not have been able to prepare for every possible question in detail—incidentally, we had a little trouble in getting some of the questions together on our part—if you wish to answer questions in writing, that would be agreeable to the committee.

Mrs. **GORSUCH**. Thank you, Mr. Chairman.

Senator **STAFFORD**. Now let me start. Is 10 minutes agreeable to the members or would you like to have 15?

Senator **CHAFEE**. Mr. Chairman, suppose we say 5 for the first round. That is a suggestion, so everybody gets a shot. Then we can go around again.

Mrs. **GORSUCH**. Probably a proper characterization.

TIMES BEACH, MO.

Senator **Stafford**. All right. Is that agreeable?

Mrs. Gorsuch, let me start with this rather detailed question.

Late yesterday I received a letter from Senators Danforth and Eagleton asking for this committee's assistance in connection with the contamination of Times Beach, Mo., with dioxin. If you have not seen a copy of that letter, I will ask a member of the staff to deliver one to you.

Mrs. **Gorsuch**. Thank you.

Senator **Stafford**. Now that a member has delivered a copy of the letter to you, let me read the last paragraph. The letter reads:

> This is a case where justice delayed is truly justice denied. For the residents and businesses of Times Beach delay means certain ruin. In our view it is clear that permanent relocation is the best answer, and we believe that the government has the authority under the Superfund law to take such a step. But in any case, we believe that a decision must be made now, not next week or next month. We urgently ask your assistance in seeking an immediate resolution to this crisis of uncertainty.

That is the conclusion of the part of the letter I wish to quote.

You may also be aware that the members of this committee staff have visited Times Beach and returned feeling very much as Senators Danforth and Eagleton do; that is, that a decision should be made on the relocation of Times Beach residents and businesses immediately.

The Superfund explicitly authorizes relocations; and, as a matter of fact, the residents of Love Canal were relocated, although not with Superfund moneys.

Based on what I know of the Times Beach situation, I would personally conclude that relocation is warranted there. But that is your decision to make, not mine or this committee's.

What I would ask you this morning is the following: First, can you tell us now whether or not you will relocate the residents and businesses of Times Beach? Second, if you cannot answer that question with a simple yes or no, will you make a commitment to make that decision and notify this committee no later than 5 p.m. this Friday, February 18?

Mrs. **Gorsuch**. Mr. Chairman, I will be happy to have Mr. Hedeman answer the question in detail and at length. It is my understanding that that decision cannot be made at the present time. I think it is symptomatic of the problems we encounter in the Superfund implementation, the type of deadline imposed by the question can we make that decision by 5:30 p.m. this Friday. None of these decisions are easy. None of them are susceptible to easy technical analysis or solution. We are looking at problems that have accumulated over 40 years of this country's history, and in particular in the Missouri situation making attempts to reconstruct records that are years old. In that process I wish it would all be susceptible to solution by Friday at 5:30 p.m. I am not sure that it is. But I would like to have Mr. Hedeman respond in detail.

Senator **Stafford**. All right.

Mr. **Hedeman**. Thank you, Mr. Chairman.

I have personally also visited with the people of Times Beach and attended a public hearing sponsored by Congressman Gephardt in that area about 2 weeks ago and am exceptionally sensitive to the problems that the people are encountering there. I also spoke last evening with Senator Danforth about his concerns, and I will share with you what I told him.

The difficulty that we are having in Times Beach, very frankly, is the technical problems one encounters in attempting to analyze if dioxin is present in soil and, if so, to what extent. We have taken 305 samples in the town and have raw data back on about 54 percent of that sampling. We are encountering some problems in quality assuring that data because in many cases the sophisticated machinery that we are using picks up interference with other substances, including asbestos, from the streets and air contaminants and doesn't necessarily give us a precise determination of the quantity of dioxin that exists.

In any event, you are correct that permanent relocation is an avenue that Mrs. Gorsuch can consider at Times Beach. But two determinations have to be made. The first one is that it by itself or in combination with other measures is the most cost-effective approach to go. We are not in a position to make that determination yet because we do not know, frankly, the extent of the problem in Times Beach.

The second is whether it is in the interest of public health. As we get this data, we are immediately sharing it with the Center for Disease Control of the Department of Health and Human Services and the Missouri Department of Health. When we have all of the data collected and quality assured, which I am hopeful will be around the middle of next week, they will be able to give their collective opinion and judgment to us as to whether the data tells us the existence of a public health problem or not and whether that public health problem is of such severity as to warrant permanent relocation.

We are moving as quickly as possible on this, and I am attempting to make some of the preliminary background information available concurrently with this testing so that we can answer the questions that you raised not only as quickly as possible but together rather than sequentially.

We will be advising your committee and your staff, as well as Senators Danforth and Eagleton, of the progress as we move along.

Senator **Stafford**. Thank you.

I am sure you have in mind that at the present time the people who own businesses in this locality are not allowed to attend to their businesses and in the meantime mortgages and interest are accumulating and payments are defaulting. So it is sort of a catch-as-catch-can. They can't come in. They aren't being relocated. And yet they are losing their livelihood. So I would urge you, as fast as you can, in the name of common humanity, to assemble the necessary data to make a decision. We would appreciate your advising us as rapidly as you can. (See p. 51.)

Mr. **Hedeman**. We are committed to do that.

I would like to correct something that I misspoke since the press rapidly wrote down. Our machines are picking up asphalt and not asbestos as the problem.

SUPER FUND INCREASE

Senator **Stafford**. At least that part of the problem may be eliminated then.

Mrs. Gorsuch, is the proposed increase of $100 million in the Superfund program based on a programmatic evaluation of everything that can be accomplished under present administrative limitations, assuming limited funding? Couldn't the agency and the States accomplish more this year if the increase were greater than $100 million? For example, couldn't actions of the plan and assessed long-term solutions be undertaken at more than 55 of the 418 sites on the priority list if more funds were available?

Mrs. **Gorsuch**. Senator Stafford, again I would like to have Mr. Hedeman, who is program director of Superfund, respond to that.

Mr. **Hedeman**. Thank you.

We believe that the current state of affairs makes the budget request that we have made a reasonable one. I would like to talk about the current state of affairs for a moment.

STATES' CONTRIBUTIONS FOR SITE CLEANUP

Regrettably, in my judgment, the focus on the Superfund program and the media attention that it has gotten in the last several weeks have failed to focus the concern on the real issue. As you know, the law requires that any remedial action that we take at these sites requires a contribution from the States of 10 percent. We have done a survey and found that 42 of the 50 States do not have adequate funding to move toward completion of many of the sites within those States that are on the national priority list. And it is regrettable that this issue has not been well focused, in my opinion, because that adequate funding must come from the State legislatures, which in many cases are now in session.

In the case of Missouri, for example, there is a $300,000 emergency reserve available to the Governor to respond to the problems of dioxin in Missouri. I would add, parenthetically, we are looking at about 132 sites at this point in Missouri that potentially have dioxin contamination. There is pending in the Missouri State Legislature a bill that would give the Governor additional funding of at least $1 million. If that funding is not forthcoming, we will not be able to proceed, I don't believe, to any degree in the Missouri area.

This problem of State funding is one that has not received the focus that I think it should. The law, as you know, is 2 years old, and there has been ample opportunity for the States to move toward achieving that funding match. In many cases States such as New York, Rhode Island, and New Jersey have been very aware of the situation and have been moving to a point where they now have that adequate funding.

In many of the North Central States, however, where 25 percent of the sites on the priority list are located, there is essentially no funding available to make this match. Unless the focus is on the Federal-State partnership of this program and, indeed, on the need for the States to come forth and assume the 10-percent responsibility, the program is not going to be able to move as rapidly as it has been up to date.

We have been able to obligate money at 62 sites, and we believe that the budget request for 1984 would allow us to maintain a rapid and steady progress based on the situation that presently exists. But I would hasten to add that any increases that would be presented in this budget at this time may be fairly difficult to respond to, absent the 10 percent.

Let me give you an example that I think is very newsworthy. It is the settlement at the Seymour, Ind., site. In point of fact, not one drum would be coming off that site, not one, but for that settlement. The State of Indiana does not have in that case, the 50 percent required to match any type of Federal share.

Senator **CHAFEE**. That is 50 percent required when it is a State site versus the 10 percent when it is a so-called public site.

Mr. **HEDEMAN**. That is correct.

Senator **CHAFEE**. Private site I guess it is.

Mr. **HEDEMAN**. That is correct. And unless and until the State of Indiana had established a fairly extensive funding mechanism of many million dollars in order to meet the match of the Federal trust funding, nothing would have happened. The settlement that we were able to reach in Indiana provides the environmental result which is the overall objective of the Superfund legislation, to get the sites cleaned up.

Thank you.

Senator **STAFFORD**. Thank you very much. I think the answers rather than the questions ran considerably over my time.

Senator Chafee?

WATER QUALITY BASED APPROACH

Senator **CHAFEE**. Thank you, Mr. Chairman.

A question first on the budget, which isn't attracting a large crowd here today. In your testimony, Mrs. Gorsuch, you say:

> We are also requesting an additional $2 million, supported by 14 additional workyears, to assist States in developing a water quality based approach to pollution control.

You and I have been around and around on this subject before. As a matter of fact, last year I asked you a specific question on this as to what we are getting into with the water quality based approach as opposed to the technology based or end of the pipe approach. Senator Randolph touched on this question in his opening statement. Again I would ask you, why are you doing this? What is your objective in getting into a so-called water quality based approach to pollution control?

Mrs. **GORSUCH**. Senator Chafee, to clear up what I think is a misunderstanding, there is no change in policy to get us away from a technology based standard. Far from it. As you would note in my testimony, I would hope that you would have observed, because it has represented a really enormous effort on the part of the agency, we have actually developed the BAT guidelines which were called for by Congress years ago.

Senator **CHAFEE**. Right. I am all for that. But why are you getting into 14 additional workyears to assist in the water quality based approach?

Mrs. **GORSUCH**. I would like to have Ms. Hanmer respond for me.

Ms. **Hanmer**. Rebecca Hanmer. I am presently the Acting Assistant Administrator for Water in the absence of Eric Eidsness from the country.

There are basically two reasons we are now implementing what would be called a water quality based approach. The first reason is basic to our program history.

I was in the water quality standard program myself in 1967 when the standards were first approved. At that time we were dealing with textbook information and scattered laboratory studies. Because we had to set the standards in a great hurry, we used that information, recognizing that the Nation's waters were not nearly so uniform as the guidelines we were applying to them. As long as we were implementing in our permitting and enforcement programs a technology requirement—that is, secondary treatment for municipal waste treatment facilities, or the effluent requirements for industries defined by best practicable treatment or, more recently, best available treatment—it was not so important for us to go back in and spend resources refining the State water quality standards to reflect the conditions in individual water bodies because those standards were not by and large driving the control decisions.

We are now at a point in the history of our program, 15 years later, when we basically have, or will have by the end of next year, the technology requirements in place. So part of the water quality based approach is a historical reason in the program.

We are reaching the limit of the requirements we will be applying on a technology basis. Further requirements will be based on the water quality standards. So there is a concern about whether or not the standards are accurate to define the need for these further requirements.

The second reason is that there has been a considerable amount of congressional interest and program interest in the one area where we have a large number of water quality based requirements now, which is the advanced waste treatment program for construction grants.

The Congress in the 1981 amendments to the Clean Water Act for the construction grants program specified that the States would have to review and, if necessary, revise their water quality standards based on the use of these standards to justify advanced waste treatment projects.

Also, in our appropriation bills since fiscal year 1979 we have received instructions to scrutinize very carefully these advanced waste treatment projects to make sure that we were getting water quality benefits for the extra dollars being spent.

So, the combination of the historical development of the program and the specific requirement from the 1981 amendments to look at the water quality standards, where we were funding advanced waste treatment projects or other construction grant projects, led to the current emphasis on looking at the standards and also led us to increase the regional resources in that program by about 14 workyears to help the States in this process.

Senator **Chafee**. That took my time.

Ms. **Hanmer**. I am sorry.

Senator CHAFEE. You and I will discuss this some other time. Let me just say that you went into a little history there where the Congress specifically rejected the water quality based approach from the early days and we went to the technology-based approach. So I am not sure I agree with the first 3 minutes of your answer.

Well, my time is up. I will be back. Thank you. And I was the one who suggested 5 minutes.

Senator STAFFORD. Before I recognize Senator Durenberger, who is next, let me say that Senator Randolph had to leave and he does have questions he will submit in writing, as will the chairman. So there will be additional questions. But having said that, and having said it for Senator Randolph, Senator Durenberger.

[Senator Randolph's questions together with responses appears at page 201.]

Senator DURENBERGER. Thank you.

It is a temptation to read 5 minutes of questions and leave no time for responses instead of one question and 5 minutes' worth of responses.

I watched Mr. Hedeman on the MacNeil-Lehrer TV show about a month ago and he said today just about what he said then, which is no reflection on him; it is a reflection on the problem. It is sort of like dealing with the MX missile. I think we ought to just cut to the heart of the problem and say we are either going to move the people or we are not. But somebody for their sake has to come to grips with that it.

GROUNDWATER RESEARCH

I need to clarify something in your printed statement it says, "Groundwater research will remain at the 1983 level of $8 million to provide necessary scientific and technical information." When you got to that part you said, "which we think will provide necessary scientific and technical information." It sort of took on a different context, as though you felt that was really all we needed in the groundwater area. I take it that isn't what you meant when you changed the wording.

Mrs. GORSUCH. I am sorry. There was no real significance to changing the wording. Obviously a budget proposal is our best estimate of what is necessary to fulfill our responsibility. I have never said in any budget hearing there is only one right figure. But we try to come up with our best estimate for all of our programmatic areas. That was my intention in that one as well.

Senator DURENBERGER. And $8 million in groundwater research is about what you consider adequate?

Mrs. GORSUCH. Yes, Senator. That is what we would give you as our best estimate for 1984.

FEDERAL-STATE RELATIONS

Senator DURENBERGER. I will submit to you some questions that relate to State-local relations. If I can get your commitment to respond to that in what we might call a timely fashion, so that it might be incorporated into the testimony we will be taking tomorrow, I would appreciate that very much.

Mrs. GORSUCH. Certainly.

If I could comment there, it is our intention, and it has been, to gradually reduce the Federal presence. As these programs become State programs, indeed they are designed by us, but they are adopted either legislatively or administratively by the States before any delegation can take place.

It is not shoving any responsibilities on the States. Once those become State programs, then it is our intention to gradually withdraw the Federal dollar support. We think that there is a good and sufficient reason when they are new to help the States both with technical information and dollars at the Federal level to get their programs developed.

Senator **Durenberger**. Some of my questions will deal with how you and I are going to know when we have reached that point. I was going to ask you a question about other statements which you made; sometimes you didn't make a commitment to zero fund all of these State programs.

What you are saying here is that at some point in time these become State programs. Now the reality is most of them were all State programs at one time. Look at California, for example, and find out who invented solutions to a lot of their environmental problems. It was not the Federal Government. But we got involved for some very important national reasons, and they weren't just health reasons. They were the disparities among the various States. They were the economic competition between the States. I think a lot of us have become very sensitive to the fact that we need to know that there is a difference between the notion of returning these to the States and the notion that when you return them, you are returning them to 50 very different States.

Mrs. **Gorsuch**. Correct.

Senator **Durenberger**. If you want to rely on the States to implement these programs in the future, we need a greater instinct than we have been given so far from you as to the path that you are going to use.

I want to congratulate you.

Not all the ills came with the Reagan administration or the Gorsuch administration. If you go back a couple years, there was a big backlog of Federal-State programs piling up. There probably were a lot of people who thought there was only one way to solve these problems, and that was the EPA way.

To your credit, you are starting to bring that backlog down. But just bringing that load down and getting the delegations out and getting the State implementation plans processed doesn't automatically give the States the capacity to get the job done.

Seymour, Ind. is a very good illustration. There is a capacity problem out there in a lot of these States, and the environment has to compete with welfare and jobs and a whole lot of other things.

So, in the course of these questions and in the course of coming to grips next week with solving these problems, I would like you to give us a little clearer sense of direction and transition and what test you would suggest we put to the system, other than saying yes, they have the capacity to levy fees or they have the capacity to raise revenues. That is not a satisfactory answer for the people on this committee.

FEDERAL ADVISORY COMMITTEE ACT

We have talked about the Federal Advisory Committee Act. This is again regarding State-Federal relations.

If you didn't have to run against that or that OMB circular every time you wanted to talk to Governors and pollution control directors, we might be doing a lot more. I understand that the chemical companies would like to be exempted, too, and the environmentalists want to sit there while you are talking to the Governors, and that is one of the big reasons we can't deal with that problem. But I want to thank you, because I wear another hat on another committee, for your efforts to help us bridge that particular communications gap and also to ask you, I have read some place that floating around in your department is a draft policy statement on the delegation of additional responsibilities to the States. If we could have that draft document made a part of the hearing record tomorrow, I think that would be helpful to us.

Mrs. **Gorsuch**. Senator, just to respond briefly, I share your concerns, and it is, obviously, a dynamic, ongoing process in terms of this delegation, in order to continue to have national standards and some uniformity in the approach to those national standards but, likewise, allow for the very real differences that do exist between New Jersey and Alaska. We consider that one of our major continuing challenges in terms of all of our environmental laws.

On delegation, you say: "Is it sufficient just to say here it is?" We never do that. We do examine, are the States willing? are they able? have they implemented laws and regulations that we feel conform with the Federal requirements and will reach the national standards? So none of those questions are easy, but we will be happy to work with you in any way we can over the next course of years because it is a major part of our program at EPA.

Finally, just on the Federal Advisory Committee Act, I would like to say certainly that has a noble purpose, and that is to make sure all of the public is included in any kind of consultation. But our environmental laws are very different. We ask the States to pick them up. The legislative framework requires that we look toward delegation wherever possible. It would make enormous sense to me to be able to involve the States when we are developing those regulations that we eventually ask them to implement. I say that just as a real problem that we do have. These folks are the ones who eventually end up with the program in at least 55 percent of the cases, but they have not been involved, except through the comment period, in the development of those regulations.

DRAFT POLICY ON DELEGATIONS

Senator **Durenberger**. Will the draft policy statement on delegations be made a part of the record?

Mrs. **Gorsuch**. I have reviewed that and I think it should be and I will provide that for you, Senator. (See p. 62.)

Senator **Durenberger**. Thank you, Mr. Chairman.

Senator **Stafford**. Thank you, Senator Durenberger.

Senator Mitchell?

Senator **Mitchell**. Thank you, Mr. Chairman.

Mrs. Gorsuch, in my opening statement I alluded to your request for decreases in the EPA's budget and expressed my dismay at that. I would like now to get into a little more detail on that, which is, after all, the purpose of this hearing.

LIBRARY OF CONGRESS REPORT

I have before me an analysis of your budget request prepared by the Library of Congress. I would like to just read excerpts from the summary of it and ask you to tell me whether or not they are accurate or inaccurate.

According to the Library of Congress, and I now quote:

> While the Environmental Protection Agency's aggregate budget totals have remained level at approximately $3.7 billion since fiscal year 1981, the operating budget portion has decreased substantially. The fiscal year 1984 operating budget proposal of $949 million represents a 9-percent decrease from fiscal year 1983 current estimates and a 30-percent decrease from actual fiscal year 1981 levels.

Is that statement accurate?

Mrs. GORSUCH. Those statements are accurate, Mr. Senator.

Senator MITCHELL. Thank you.

The next statement:

> Of the appropriation accounts, the greatest reduction for fiscal year 1984 is represented in the abatement, control, and compliance account request of $294 million, which is 20 percent less than fiscal year 1983 current estimates and 45 percent less than fiscal year 1981 levels. The Administration requests $112 million for the research and development account, some six percent less than the current year levels and 55 percent less if matched against fiscal year 1981 levels.

Are those statements accurate?

Mrs. GORSUCH. I couldn't respond with anything except in a generalized sense.

Senator MITCHELL. You have no basis for challenging the statement by the Library of Congress, do you?

Mrs. GORSUCH. I am sorry; they don't sound accurate either to me or our Comptroller. But I could not respond adequately and in detail to that at the present time. But I will tell you that there are substantial—as I have testified, we have requested in our operating budget a reduction of 9 percent over the appropriation that was appropriated to us by Congress——

Senator MITCHELL. I am going to get to that in a minute. I am asking now about these statements. I would like you to take a copy of this. If you or your Comptroller find any statement in here which you think is inaccurate, I wish you would call that to the attention of the committee.

Mrs. GORSUCH. I would be glad to.

[A response to Senator Mitchell's request follows:]

Library of Congress Analysis of EPA's 1984 Budget Request.—We have checked the Library of Congress report and find that its analysis of EPA's 1984 budget request is accurate.

Senator MITCHELL. Another statement:

> Of the media protection programs, every major program will experience a decrease if the fiscal year 1984 proposal is adopted. Compared to fiscal year 1983, water quality funding will decrease 30 percent, drinking water, 15.1 percent; air, 10.9 percent; and energy, 11.8 percent. The 7-percent decrease for EPA's toxic program and a 6 percent decrease for the hazardous waste program are part of the fiscal year 1984 request.

Are those statements accurate?

Mrs. GORSUCH. Those sound generally accurate, Mr. Senator. Most of that is, as we have testified earlier, in our suggestion to you, that there be a reduction in the amount of funds going from the Federal Government to the State governments.

Senator MITCHELL. The report goes on to say:

> If fiscal year 1984 figures were adjusted for inflation when compared to fiscal year 1981, the percentage decline would be even greater.

I would simply note for the record that the rate of inflation as measured by the Consumer Price Index was 10.3 percent in calendar year 1981, 3.9 percent in calendar year 1982, and the administration projects 4.9 percent in calendar year 1983.

All of this, Mrs. Gorsuch, reinforces the point I made at the outset. You cannot reduce the resources available to your agency by some 40 percent in effective dollars over a 2- or 3-year period and discharge the responsibilities that you have under the law and which are growing.

Let's take a 7-percent decrease in the toxics program and a 6-percent decrease in the hazardous waste program. Do you think that those problems are declining in this country?

INCREASE OUTPUT

Mrs. GORSUCH. No, Mr. Senator, I didn't say that. I think that not only have we decreased the resources which we have asked for from the American taxpayer but in fact we have increased our output as an Agency enormously, absolutely enormously, in the last 2 years.

Senator MITCHELL. That is, of course, a subjective judgment with which a great many people disagree, Mrs. Gorsuch.

Mrs. GORSUCH. No. I would not expect you to rely on my subjective judgment alone but, rather, to look at the facts, the public record. In water, in 1977 I believe Congress said, "EPA, develop toxic guidelines so that we won't have any more toxic discharges from our industries into our waterways." And Congress said to EPA, get that done by 1979.

When I walked in the door, 1 out of 24 guidelines had been developed; 21 months later we have virtually all of those guidelines out in either proposed or promulgated form.

That is not a subjective judgment, Senator. That is an actual fact. And those will lead to cleaner waters for the American people.

In 1976, in TSCA, this Congress said, among other things, "EPA, start testing new chemicals so that the American public's health will be protected and regulate them accordingly."

When I walked in the door in 1981, 5 years later, not one new chemical had ever been regulated by that agency. We are now on track in meeting every court-ordered deadline and also from the interagency committee to EPA for testing and controlling new chemicals.

I could go on and on and on. These are not subjective judgments. These are real outputs. And the people who work for me, I guess I am really upset for them because they worked enormously hard to produce environmental results for this country, and we have got them.

Senator MITCHELL. I respectfully disagree with your analysis of it. I respect your point of view, of course, and in fact admire your willingness to stand up for the position that you represent. But I just want to say that there are a great many objective facts which directly contradict your assertion. And, of course, the subjective analysis is up to each individual person.

Mrs. GORSUCH. I would like to be presented with any objective facts and try to respond to any objective assertions that we have not met environmental goals in a more productive way with fewer resources.

Senator MITCHELL. Well, let me just read two sentences from testimony by Mr. Lash, who is going to follow you on the witness stand. I don't want to preempt his presentation. I hope he doesn't mind.

He says in his statement, and maybe he is not right, but these figures have been used often:

> According to EPA and Justice Department figures, there was a 79-percent decline in the number of hazardous waste case referrals to EPA headquarters from the regions between 1980 and 1981 and a 69-percent decline in the number of cases referred from EPA headquarters to the Department of Justice. During the first year after Mrs. Gorsuch was confirmed, so far as we can tell not a single Federal action based on RCRA was filed by the Department of Justice. Although EPA officials justified the decline in the number of prosecutions on the grounds that they would increasingly rely upon more efficient and less expensive administrative actions, between January 1981 and the end of fiscal year 1982, EPA issued only two orders under section 106(a) of the Superfund law to abate imminent hazards, only three orders under section 3013 of RCRA for the testing of hazardous waste sites, and only five under section 7003 of RCRA to abate imminent hazards.

I just want to say we have been over this twice now. This is the third time. I spent many years as a prosecutor. I understand that raw figures of prosecution do not by themselves tell the whole story. But directly to the contrary, the statement that we are concentrating on the important cases—that is why we have a lot of other cases, that is why we have so many fewer prosecutions—also does not tell the whole story and is frequently used as a shield and excuse for the lack of vigorous prosecution and enforcement of the laws.

It is a very difficult thing to tell. You can't go by either figure. The fact is there has been a sharp decline in referrals for prosecution. I kind of hope raising this question every year when you come here would lead you to prepare yourself for this hearing by having an increase, and I am hoping you are now going to come back and say, "Ah, yes, Senator, but look at the latest figures. Look how far up they have gone." Do you have any such figures?

Mrs. GORSUCH. I have never used "We are concentrating on the important things." I have never said that.

Senator MITCHELL. That is what every prosecutor who doesn't want to enforce the law has ever said.

VIGOROUS ENFORCEMENT EFFORT

Mrs. GORSUCH. Well, I haven't, so please don't put those words in my mouth. We do have a vigorous enforcement effort going on in hazardous waste. I guess, ironically enough, that has been the focus of some of the recent criticism. As pointed out in the *Seymour* case, which I believe was the largest settlement at the time ever received environmentally for environmental cleanup, that is one of those cases that is raising questions. Not one barrel would have been removed from Seymour but for the vigorous enforcement effort of the Environmental Protection Agency. You ought to have places cleaned up pretty quick. That is my test, are we cleaning up America quickly enough. So far, while it is a long, hard process, I am very proud of the Agency's performance.

Senator **Stafford**. Thank you both very much.

In the order of appearance, Senator Baucus was next. Senator Baucus?

LONG-TERM BUDGET TREND

Senator **Baucus**. Thank you, Mr. Chairman.

Mrs. Gorsuch, what is the long-term trend for budget submissions to the Congress for EPA? I ask the question because in fiscal year 1981 the research and development was $250 million; for 1982, a cutdown to $154 million; for 1983 I have here $119 million. This, by the way, was prepared by Martin Lee, an analyst in environmental policy for the Congressional Research Service, so that is an independent evaluation. Then for 1984 the request is $112 million. My question is, what is the long-term trend in mind at the EPA for a research and development budget? Are you going to come back here next year with a further reduction? Do you have in mind any trend, or do you propose this on an ad hoc basis of day to day? What is the thinking? What is EPA's intention for future budget submissions?

Mrs. **Gorsuch**. Senator, let me say two things about that. We are not a static Agency. Our responsibilities aren't the same today as they will be tomorrow.

For instance, just let me look at one program, air. In air we have the basic regulatory program. It was developed about 12 years ago. The new challenges in air are to produce what you all have called for, technology based standards, new source performance standards. Once those are developed, the same level of effort doesn't have to be there at all times to maintain them. They are——

LONG-TERM R&D BUDGET

Senator **Baucus**. Could you please just answer the question? I mean, what is the trend overall for research and development?

Mrs. **Gorsuch**. In terms of research and development——

Senator **Baucus**. For 1985 and 1986, what do you have in the back of your mind as to where EPA would like to go in R&D?

Mrs. **Gorsuch**. Well, Mr. Senator, it will depend upon what we have achieved in 1984. As I say, we are a dynamic Agency that essentially has different responsibilities on a day-to-day basis. I am informed that OMB has it straight-lined in terms of their budget predictions in 1984 as a planning base.

Senator **Baucus**. So 1985 would be the same level, $112 million?

Mrs. **Gorsuch**. That is correct.

Senator **Baucus**. 1986, $112 million. Indefinitely a straight line in the future, which would mean effectively reductions once inflation is taken into effect.

Mrs. **Gorsuch**. I wouldn't take that as any more than what it is, and that is a planning base from which we as an Agency should look in the future. Our needs change.

WOOD SMOKE POLLUTION

Senator **Baucus**. Not too long ago this committee passed an amendment which asked EPA to do some research and development with smoke pollution. Can you give me a report on the status of that research?

Mrs. **Gorsuch**. I will be happy to ask Dr. Courtney Riordan, who is our Acting Administrator for Research and Development, if he can do that.

Dr. **Riordan**. I think I would prefer to respond specifically on the record. We completed our research on characterizing emissions from wood stoves. We do not now have in our program research on the potential of wood stove pollution.

Senator **Baucus**. The wood smoke pollution request was asked for by the Congress in the research and development budget. I am inquiring as to the status of that.

Dr. **Riordan**. I am unaware of that request, Senator, unfortunately. We will provide this for the record.

[The information requested follows:]

WOOD SMOKE POLLUTION

Question: The wood smoke pollution request was asked for by the Congress in the research and development budget. I am inquiring as to the status of that.

Answer: We are not aware of a specific request of EPA to conduct wood smoke pollution research. There was a proposal in Senate 3041 as introduced by Senator Stafford in the 97th Congress called the "Wood Smoke Study" (Section 304), but Senate 3041 was not enacted into law. Senator Stafford's bill has been reintroduced in the current session.

For the record, we would like to describe research performed by EPA on wood smoke pollution. A limited program has been underway for the past several years and continues as a small portion of the FY 1983 source apportionment methods research.

Completed EPA research has (1) evaluated emission rates for several types of wood stoves and for fireplaces, (2) analyzed the high levels of benzo-a-pyrene found in ambient air in areas where wood burning is prevalent, (3) compared methods for detecting and analyzing wood smoke emissions, (4) assessed the impact of wood-burning on the environment in Vermont and in other geographic areas, and (5) evaluated the effect of stove design on emissions.

In addition, EPA Region X began a program in February 1981 to study the problems of wood combustion in woodstoves. This study involves 9 areas: (1) particulate sampling in residential neighborhoods, (2) assessing the relative contribution of woodstoves to particulate concentrations, (3) wood stove use surveys in Seattle, Spokane, and Portland, (4) projections of trends in wood combustion, (5) review of the ways to reduce the amount of wood burned, (6) evaluation of wood stove designs, retrofit technology, and operating and maintenance practices, (7) wood stove testing, (8) determining the impact on indoor air quality of wood stoves, and (9) listing control strategies.

In FY 1983, EPA will be concluding its research on wood stove combustion. The source apportionment methods research will be completed, as will a one-year wood burning particulate study in Missoula, Montana, which began in October 1982. The final tasks of the Region X study will be completed during FY 1983.

No resources are planned for expenditure in FY 1984 for wood smoke studies.

Senator Baucus. At least in Western States, with the fuel costs going up so much during the winter months, so many people are turning to wood-burning stoves that it has caused another kind of pollution problem in the country. We will talk about this later.

Mrs. Gorsuch. We will be happy to respond in writing.

Senator Baucus. Let me ask a third question here, and that is this: Basically, what has gone wrong? I mean, the public perception of EPA, as you know, is not good. There is a series of horror stories out in the press, whether it is shredding documents or improprieties or budget cuts, just a whole series of revelations which are just not good for EPA. I am curious, what, in your mind, has gone wrong? What has happened? Why is there this public perception? Does it view that the fourth estate which just concentrates on bad news or what is it in your view? I am curious, in your own mind, as you sit in your private moments and think about what is happening, I am sure you worry about the public perception of EPA. What has gone wrong?

Mrs. Gorsuch. Well, let me correct at least one assumption that is implicit in your question that I don't share, the assumption that our reductions in our operating budget are wrong. I will say that I frequently see the rumors that surround EPA in the headlines. I very infrequently see any facts.

Let me give you just an example. You may recall last year about this time there were rumored cuts of an 80-percent reduction in personnel, 50-percent reduction, 30-percent reduction. Do you recall all of those headlines? In fact, and in truth, we have reduced the agency personnel by 13 percent over a period of about 2 years. In that process, fewer than 100 people have been involuntarily separated from employment at EPA. I don't see that reported.

Senator Baucus. I see my time is up. I understand one could come back to specific numbers and you can defend one's agency, one's program. You do it. Other agency heads do it. We all do it in our positions, too. But still there is an overall perception that something has gone wrong.

Mrs. Gorsuch. I think it is very easy——

Senator Baucus. My time is up. I don't want to intrude on the time of other Senators here. But I just hope that you think about that constructively and take charge of the agency in a way so as to regain public confidence. Sure, there are a lot of rumors. There are always rumors. Some of them have some shred of truth in them. Some have more than a shred of truth in them.

Mrs. Gorsuch. I will see that as an unintentional pun.

But I think it is fairly easy to explain. I don't think it needs a political scientist to figure it out. We have 535 Members of Congress, some of whom—and certainly no one in this room—think that the most important contribution they can make is to get into the national news media. It seems like there is a real easy way to do it these days. All you have to do is call Anne Gorsuch and ask her to start photocopying every piece of paper in Superfund and come up for a hearing. Until that goes away, I think we are going to have a real difficult time.

It really disappoints me because we have a dedicated work force that has a solid record of progress, and they are not going to be able to keep it up.

Senator BAUCUS. I see my time is up. Thank you very much.

Senator STAFFORD. Thank you very much, Senator.

In order it would be Senator Hart and then Senator Simpson. I can't refrain from commenting that one of those unfounded rumors that did not have a shred of truth was the fact that you were married over the weekend.

Mrs. GORSUCH. We dealt with that earlier. Exactly.

Senator STAFFORD. Senator Hart?

PUBLIC PERCEPTION OF EPA POLICY

Senator HART. Thank you, Mr. Chairman.

Mrs. Gorsuch, I would like to pursue Senator Baucus' line of inquiry because I think it is an attempt to get at the heart of the concern, not just on the part of a few Members of Congress looking for headlines or maybe even a few environmentalists who may have one quarrel or another with you.

I think there is a perception that something is wrong, that mere numbers, quantity of cases resolved, or pieces of paper moved one way or the other, is not really the issue here. The issue is, is the environment getting cleaner or not as a result of whatever efforts are being made? And is it your view that the very strong opposition to this administration's environmental policies is by and large ideologically or politically motivated or the basis of partisanship? Or how do you account for it?

Mrs. GORSUCH. It is hard for me to know what it is I am accounting for. I think there is a large political partisan——

Senator HART. Do you think the environmental movement in this country is defined by 30 or 40 organizations who generally support the efforts that you and others in the administration have taken or not? If not, why not?

Mrs. GORSUCH. Senator, I have to ask them to speak for themselves. I couldn't speculate.

Senator HART. I think, Mrs. Gorsuch, they have, and they have said they are not happy with what is going on. What I would like to know is why you think that is the case. Is it a failure to communicate? Do you need more public relations people of the sort the administration seems to think are going to solve its foreign policy problems? What is the gap here? That is what Senator Baucus was trying to get at.

Mrs. GORSUCH. Senator Hart, let me just say that I frankly find it very difficult to explain other people's actions. But it has been clear to me that the environmental groups—and I would have to go back and it is not fair to paint with a whole broad brush—but some of them opposed my nomination before I ever took a single act and have repeatedly criticized each and every action.

Now, just from a point of logic, nobody can be wrong all that much, all the time, even if you stayed up all day and all night trying to figure out how to do everything precisely wrong. No one could be that wrong.

So yes, personally I have to finally judge that a great deal of it is political harassment. And you know the old rule——

Senator HART. Political harassment?

Mrs. **Gorsuch**. Political harassment. The old rule of the loyal opposition is to harass, delay, destroy, and finally stop. And the only thing that makes me very sad about it is this type of harassment probably will impede our progress, which is cleaning up America under Superfund.

Senator **Hart**. Why would this collection of people, committed to that goal, be harassing you, do you suppose? What is motivating them? Is it partisanship?

Mrs. **Gorsuch**. I think there is an element of that, yes indeed.

Senator **Hart**. A strong element?

Mrs. **Gorsuch**. Yes.

Senator **Hart**. So by and large, the environmental movement is aligned with the Democratic Party; is that the idea?

Mrs. **Gorsuch**. Those are your conclusions, Senator, not mine. I say that there is a strong element of political partisanship in it, in my judgment.

Senator **Hart**. Well, then that is not my conclusion; that is yours.

DISPUTE OVER SUPERFUND

What is behind the dispute over the Superfund and the toxic substances? Is it more than a few Congressmen looking for headlines? Is there some substance to the dispute?

Mrs. **Gorsuch**. Well, there are many levels to it, as you obviously know, and one of them indeed has substance to it, and that is concerning the Constitution of the United States and who under the Constitution has the duty to faithfully execute the laws of the country. When I last read it, that was the executive branch, the President.

Senator **Hart**. No. I think we all take essentially the same oath. Members of Congress take the constitutional oath. We are constitutional officers.

Mrs. **Gorsuch**. Well, obviously you and I would have a legal difference of opinion there.

Senator **Hart**. Ma'am, I don't think that is a legal difference of opinion. That is a fact.

Mrs. **Gorsuch**. Well, the Constitution does give the legislative branch of government different duties than it gives the executive branch of government, and there is a level of real substance and concern between the House of Representatives and the executive branch at this time as to where those constitutional limits should be defined. And that is the underlying substantive matter in the contempt action that the Congress has taken.

Senator **Hart**. Let's leave that aside. What about the substance of the dispute? Is there cause for genuine concern on the part of Members of Congress over implementation of the Toxic Substances Act at all?

Mrs. **Gorsuch**. Well, I think that Congress—again you put me in a rather poor position because I am certainly not here to tell you what responsible Congressmen should do. But it is my opinion that every Congressman should be concerned over the implementation of one of our most important programs. That is the function of Congress.

Senator **Hart**. But in the case of this particular dispute, you don't see any merit in that concern? You are convinced that your agency from the top to the bottom has been implementing the toxic substances disposal legislation to the fullest degree?

Mrs. **Gorsuch**. I have no knowledge of any wrongdoing at the Environmental Protection Agency.

Senator **Hart**. I didn't say wrongdoing.

Mrs. **Gorsuch**. I have repeated——

Senator **Hart**. I didn't say wrongdoing. I said is your agency from the top to the bottom implementing the act to the fullest degree?

Mrs. **Gorsuch**. To the best of my knowledge and understanding, yes, Senator.

Senator **Hart**. Thank you, Mr. Chairman.

Senator **Stafford**. Thank you very much, Senator.

Senator Simpson?

Senator **Simpson**. Thank you, Mr. Chairman.

How do you do? It is not the first time you have been in here. I remember the first time you came here I said welcome to the pit. Do you remember that?

Mrs. **Gorsuch**. Yes, indeed, Senator.

Senator **Simpson**. But I hear some very sensible questions of things that concern members of the committee, and I think that you are responding. I admire you for that, and I admire you for being accessible in this time of stuff that whirls around your head and the agency. I think you are a gutsy lady and you handle yourself very well.

Let me just say this. I was a freshman Senator when the EPA came up for a hearing—and I guess I thought with some whimsy when was anything ever good at the EPA—and I remember we had testimony from a member of the previous administration who when asked the question whether agriculture was part of man's ecosystem said no, which was a rather startling phrase, actually, that agriculture, which is the very essence of civilization, was not part of man's ecosystem. That is what we had to deal with in that particular administration. I remember that one distinctly.

I was deeply involved in Superfund and so was the good chairman and John Chafee and Max, Gary, we all were involved in Superfund. We want to see it work. And I think that amid all of the commentary, when we see that even though there is a reduction in the basic operating budget, we are going to find Superfund increasing by about 48 percent——

Mrs. **Gorsuch**. That is correct.

Senator **Simpson**. Or $100 million, and enforcement activities would increase by 14 percent. I think that in itself reflects the good intentions of EPA to enforce the law and clean up these abandoned hazardous waste sites.

I am pleased, having worked hard on Superfund, to see it being implemented this way. It is a critical thing and it has to be done. But indeed, EPA, I fear, is just going to always be the subject of great scrutiny and criticism by whatever party is not in control of the White House. I guess that is the way it is going to be. I have done my share. Please don't leave me out in the criticism. I just want to say that Senator Hart and I have been deeply involved in nuclear activities. In the last moments of the lameduck session we passed a nuclear waste management bill. Did you read much about that in the United States of America? Not much. Even though it hadn't been done for 30 years. We get involved in personalities and who is hammering whom and forget what in the world we do around here. Occasionally we discover the ruby in the dung. That was one.

In the working of that bill, we sat for hours and hours and hours of the lameduck session with Senators McClure and Johnston and Members of the House, Udall, Broyhill, Dingell, Ottinger, a diverse group, to say the least, and in the midst of that group in this country a hardcore group of people said, "Oh, pull it down. It is not ready yet." And they really love to do that out in this environmental field; pull it down, we are not ready yet. We haven't done anything for 30 years, but we are not ready yet.

It is the same with everything we deal with in this committee. It is really almost absurd, people seeking perfection when they don't have it in their own lives. Certainly we are never going to find it here in this place because we are a representative body. I think they just need to be put in perspective.

The thing I want to share with you—and I really don't have a question, but I am going to get my whole 5 minutes' worth—let me tell you that I have sat now for 4 years and watched, and now your agency has finally come up with things in the nuclear field with regard to standards, with regard to offsite exposures, things that have been done in active mill tailing sites. Things that we were asking for for years are now on schedule. I don't think that that should be forgotten in the midst of all the stuff; whoever these people are who seem to distort it. I appreciate those things. There is a better coordination between the NRC and the EPA, better than ever before. I guess the supreme comment of all time would be that finally the EPA has more scientists than it does lawyers. I commend you for that. Thank you.

Mrs. **Gorsuch**. Thank you.

Senator **Stafford**. Thank you very much, Senator. The Chair notes apparently in Wyoming they have changed diamonds to rubies.

Senator **Simpson**. We haven't changed dung, though.

Senator **Stafford**. Mrs. Gorsuch, let me just ask you one question now and submit the rest of mine in writing, to which we would appreciate as early a response as possible, and having in mind that we are going to arrange a second meeting with you probably more specifically targeted towards Superfund.

ENFORCEMENT AND RESEARCH AND DEVELOPMENT BUDGETS

Speaking personally, I am concerned that your budget submission is particularly inadequate in two areas—enforcement and research and development. I shall not ask you to comment on the matter except to say this: Should the Congress provide you with additional funds in these areas, and possibly some of the other areas of your agency's budget, will you spend it?

Mrs. **Gorsuch**. Mr. Chairman, it is against the law for me willfully to spend any dime less than the Congress appropriates. I respect and understand the law and have taken an oath to uphold it.

Senator **Stafford**. I directed the question to you when you said at the outset that you were prepared to execute the laws as this Congress might enact them with respect to all of the programs under the Environmental Protection Agency.

Mrs. **Gorsuch**. Absolutely.

Senator **Stafford**. All right. Thank you.

Mrs. **Gorsuch**. I should point out, though, there is a $12 million increase in the total enforcement effort that we are proposing.

Senator **Stafford**. I know there has been some increase, but it may be the opinion of the Congress, and it is the opinion of the chairman of this committee, that the sums requested are inadequate.

Senator Chafee?

Senator **Chafee**. Thank you, Mr. Chairman.

COMBINED SEWER OVERFLOW FUNDS

Mrs. Gorsuch, on the combined sewer overflow money, you did not request any. That was an item that this committee put in when we worked on the Clean Water Act and the municipal waste grants were part of it. Why haven't you asked for any combined sewer overflow? What happened to the $30 million that we put in last year that was appropriated, and where are the regulations? All within a minute, please.

Mrs. **Gorsuch**. The part I know about is the regulations that are about to be proposed. I would ask Rebecca to answer the other part of the question.

Senator **Chafee**. Please beat your previous record considerably.

Ms. **Hanmer**. Yes, sir.

We are planning to spend the $30 million. We will be evaluating applications. The answer on the failure to request $30 million is just a failure to request a targeted $30 million. In the $2.4 billion appropriation request, we are not invalidating qualifying combined sewer overflow projects from consideration. It is just included in the $2.4 billion as a total request.

Senator **Chafee**. In other words, in theory, you think the $2.4 billion includes the CSO money?

Ms. **Hanmer**. Yes, sir. That is my understanding. To the extent there are eligible projects.

Senator **Chafee**. You look at the law. You can't use that money for the combined sewer overflow. No, I don't think you can do that. You look at that again.

Ms. **Hanmer**. I will. And we will provide an answer for the record.

Senator **Chafee**. All right.

[The information requested follows:]

COMBINED SEWER OVERFLOW

Question: Is combined sewer overflow (CSO) correction eligible for funding under the construction grants program in fiscal year 1984? What changes in eligibility occur in fiscal year 1985?

Answer: CSO correction is eligible in fiscal year 1984. Section 2 of PL97-117 (the 1981 amendments to the Clean Water Act) amends Section 201(g)(1) to provide that, beginning in fiscal year 1985, CSO correction is no longer an eligible category under the construction grants program. However,

- The Governor may request that CSO correction be funded out of the State's regular allotment where correction of CSO discharges is a major priority of the State, and
- The Governor's discretionary fund of up to 20 percent of a State's annual allotment may be used to fund categories of projects (including CSO projects) other than those remaining eligible categories.

Question: What is the status of the special fund for abatement of CSO pollution in marine bays and estuaries?

Answer: $30 million was appropriated for fiscal year 1983 under the HUD Independent Agency Appropriations Act of 1983. No grant applications have been received to date. The funds are available until expended.

Question: What is the status of the implementing regulations for the special fund for abatement of CSO pollution in marine bays and estuaries?

Answer: The implementing provisions are included in the construction grants regulations. These provisions specify criteria applicants must meet to be eligible to receive a grant. The regulation is at OMB for review. The estimated date for publication in the Federal Register is March 15, 1983. Guidance for the preparation and review of applications to the fund is expected to be distributed to EPA Regions concurrently with publication of the regulation.

Senator **Chafee**. Getting back to the problem that has surfaced here as regards the agency and as evidenced by the questions, what is the problem over there? I think you will find that this committee is as strong supporters of EPA as any group of Senators in the U.S. Senate, but obviously we are disturbed.

ASSISTANT ADMINISTRATOR VACANCIES

Now, it seems to me the reason that the problems have surfaced, or the aura of problems, is because there is turmoil in personnel: Resignations, discharges, failure to accept a position after having been appointed once an investigation is started. As I understand it, you have two assistant administrator positions that are still unfilled. Is that correct? That is your R&D and what is the other, policy?

Mrs. **Gorsuch**. No; the other is the recently vacated hazardous waste.

Senator **Chafee**. But set that aside. There is only one vacancy other than Miss Lavelle's position; is that right?

Mrs. **Gorsuch**. Yes; that is right.

Senator **Chafee**. Why don't you fill that position? It seems to me it gives the impression that you haven't gotten things in order yet.

Mrs. **Gorsuch**. Senator, I think you know that that is not altogether within my control. There is a lengthy process for any nomination by the President, which includes FBI investigations. I have made my suggestion to the White House personnel for the President's consideration for that position.

Senator **Chafee**. How long has the position been unfilled?

Mrs. **Gorsuch**. It has been unfilled since I took office 21 months ago.

Senator **Chafee**. That is really an unfortunate record. I could use stronger terms. Are you applying any pressure for filling this position? This is the very position that presides over the area that everybody in this committee says is underfunded and that the chairman just finished saying enforcement and research and development were the two areas he was concerned with. I am concerned with it. The others, Senator Mitchell has touched on it.

This position should be filled. I believe it gives an atmosphere to the agency that there isn't a firm hand in charge and it isn't going where it ought to go. Those are appearances. I am not saying they are substances. I think you should get that position filled and get this agency settled down. We all believe in it and want it to succeed.

Mrs. **Gorsuch**. Let me say that I made my suggestion for that spot——

Senator **Chafee**. How long ago?

Mrs. **Gorsuch** [continuing]. In November of last year. And I concur with you that it would be more helpful to me to have that position filled from an "official" point of view because I get all kinds of questions about that sort of thing.

But having said that, let me also say that our research and development program is in very capable hands under our Acting Administrator Courtney Riordan.

Senator CHAFEE. It gives the impression either the position isn't needed or you have a water-walker in charge of it now that can wear two hats.

Mrs. GORSUCH. There are no two hats involved. He is only Acting Administrator in terms of research and development, that is all.

Senator CHAFEE. The suggestion is you don't need anybody above him. You don't need an assistant administrator. Is that right?

Mrs. GORSUCH. The distinction, Senator, is having a person who is nominated by the President, confirmed by the Senate. It is not that there is not anyone there, not anyone there doing the job. There is a person who is doing it very capably and ably.

Senator CHAFEE. Well, I am not sure I understand the answer. But tell me briefly, do you want somebody or don't you?

Mrs. GORSUCH. Yes, indeed I do.

Senator CHAFEE. And the person, when he gets there, will have something to do?

Mrs. GORSUCH. Yes.

Senator CHAFEE. Well, if we can help, let us know.

Mrs. GORSUCH. Thank you, Senator.

Senator CHAFEE. I think somebody should put pressure on the White House.

SUPERFUND LITIGATION VERSUS SETTLEMENT

A final question to Mr. Hedeman. On the Superfund, what are the criteria that you use in deciding whether it is litigation versus settlement? That is a broad question and don't take 10 minutes, but what are some of the factors that influence your thinking?

The statistics show that you are not doing too well. The statistics seek litigation because then you build up a record. You have referred more cases to the Justice Department, more cases are underway. Whereas, you don't get high marks on the settlements. Apparently, there are no gold stars for settlements around here. But they may be just as good. All in a minute and a half.

Mr. HEDEMAN. Can I pass that minute and a half to Mr. Lucero?

Senator CHAFEE. All right, go ahead.

Mr. LUCERO. Mr. Senator, I think it is important to state up front that we have several enforcement options and we use the one which seems to offer the likelihood of success for a particular situation. For example we have tried to secure voluntary compliance, normally through settlement, where the companies have indicated a willingness to discuss site clean up.

One thing that seemingly gets overlooked in this discussion about voluntary compliance is that once negotiations begin, the Agency tries to adhere to a 60- to 120-day time period in which a resolution of the environmental problem must be struck. If the negotiations do not produce a settlement the options available to the Agency are administrative orders, which in other forums—particularly the House—we have been asked why we have not used the administrative order process afforded us under CERCA, and then in other cases, where appropriate, we also look at litigation. We are not focusing exclusively on settlement as an opportunity or a way to avoid litigation.

In response to the other Senators, the case referrals to Justice have been going up. The period of time that was referred to in those statements ended in 1981. They have been going up since then. During the last year we have a series of cases that have been referred to the Justice Department, which in turn, has been making decisions, in consultation with Agency lawyers and my technical staff about which cases to proceed with.

If given a chance we can provide the numbers which that we indicate our seriousness about litigation. But again, to reemphasize what we are attempting to do, we are trying to get a comprehensive solution. In different situations, different actions work better.

Senator CHAFEE. Thank you. I am not arguing that. The point, as Mrs. Gorsuch and Mr. Hedeman said, is to get the place cleaned up. Whether you do it by litigation or by settlement makes no difference. Frequently settlement is faster. At least you get the thing decided and over with and something done.

Mr. LUCERO. I would like to add——

Senator CHAFEE. I have used my time.

Mr. LUCERO [continuing]. One thing that is very important. In some of our major litigation, the cases were initally filed and then the discussions were undertaken. Some of our larger cases are extremely complex. The management of the cases that are still going on at Kempton and Seymour have cost the Government between $1 and $2 million. That is a tremendous investment of the fund resources that are unavailable for site cleanup elsewhere.

So when we make a decision to go forward with any case, whether it is by administrative order or litigation, we are willing to make that commitment, but it is a very large, very expensive, one.

Senator CHAFEE. I think you have to always have the threat of going to litigation in your hip pocket. Otherwise you will be viewed as a paper tiger, So you have to bring some of these to the courts.

Thank you.

Senator STAFFORD. Thank you very much, Senator Chafee.

Senator Mitchell?

SUPERFUND ENFORCEMENT

Senator MITCHELL. This last gentleman made reference to more recent figures on enforcement. I wonder if he could provide those to us in writing. That is really what I invited earlier, and I hope we would have that. Would you provide those to us?

Mr. LUCERO. Yes. (See p. 67.)

Senator MITCHELL. Regarding Superfund enforcement, would you provide us with a breakdown of the cases now in settlement, a breakdown as between those that are court approved and those that are purely voluntary between the agency and the alleged violator?

Second, the effect that that has on the ability to enforce those agreements if compliance does not occur.

I would just like a statement on that and an analysis of that. (See p. 68.) I think that has some bearing on the effectiveness. A dump is not cleaned up when an agreement is reached.

Mr. LUCERO. That is correct.

Senator MITCHELL. That is a means to an end. You know as well as I do that not every agreement will be adhered to and compliance will not occur.

ATTITUDES OF ENVIRONMENTAL GROUPS

I want to make a comment and then ask a question. I want to address a comment to Mrs. Gorsuch regarding her response to Senator Hart's question about the attitude of environmental groups and the loyal opposition, which you said its purpose is to harass, delay and destroy, and that environmental groups are partisan in nature. That is an understandable reaction, and I expect that if most people were in your place, they would feel the same way. But I want to urge you to rethink that because I think you are profoundly wrong and that you are doing a great disservice in holding that attitude, not just to the American people but to the administration and the Republican Party.

The fact of the matter is that the Republican Party has a very long and very proud tradition of pro environmental activities——

Mrs. GORSUCH. I know that well.

Senator MITCHELL [continuing]. Both in this Nation, and in my own State we have some of the strongest environmental laws created and pushed to fruition by a cooperative arrangement between Democrats and Republicans and led in many cases by Republicans. Nationally the same thing is true.

I do not believe that the overwhelming majority of these national environmental groups are Democrats. They are acting as Americans who are concerned about the environment. And the fact of the matter is, Mrs. Gorsuch, their attitudes would not exist if there were not some substance to their concern. It is the policies and the implementation of those policies by this administration that has mobilized these groups overwhelmingly in opposition to those policies, overwhelmingly in opposition to this administration. You are not going to change that attitude unless you change the policies. Indeed, many of them have moved with agonizing slowness because of their concern and because of their ties to the Republican Party through their memberships.

Mrs. GORSUCH. Mr. Senator, please don't put words in my mouth. I do not believe that most environmentalists are Democrats. I am an environmentalist, a strong one. I think that the leadership in some of this criticism, and obviously the releasing of rumors that have no foundation in fact and allowing them to be used as headlines repeatedly, can only be interpreted one way, and that is as politically partisan.

Senator MITCHELL. It is political in the sense that they disagree with your policies and want to change them, but it is not partisan in the sense that they are acting in behalf of one or another political organization. Most of the people who are environmentalists in my State are Republicans and almost all of them are very strongly opposed to the policies that you are pursuing and implementing. It is absolutely not under any desire to do it in a partisan way. In fact, they are doing it with deep regret because of their relationship.

What I am saying is I think you have to rethink this. I understand your reaction, and believe me, I think most people, myself included, would probably react in the same way were they under this criticism. But it is the policies and implementation of those policies, as manifested by this budget. Essentially a society's resources and allocation of those resources reflect their priorities. The priorities of this administration, in terms of the resources which it has chosen to allocate to protection of the environment, reflect clearly a lack of concern and a lack of urgency.

You can't come in and try to cut the budget by 40 percent in a time when your responsibilities are increasing dramatically and say we have this commitment. It simply doesn't have any meaning.

That is a comment. You can respond to that. But I want to ask a question, motivated by Senator Simpson's remarks, who said in response, commenting on nuclear waste legislation, he was somewhat critical of those who say they are not ready yet and the people are seeking perfection in other areas when they don't have it in their own lives.

ACID RAIN LEGISLATION

I have heard that before in another context which I now raise, and that is my legislation dealing with the problem of acid rain. I would like to ask, since that is essentially what has been the position of the administration, a question which I have asked repeatedly of Mrs. Bennett before this committee.

You have said over and over again that we are opposed to any acid rain regulatory legislation because we don't know enough about it to act. The question I have asked is when will you know enough to act? How many more studies must be completed? What study or studies are underway that will provide you with sufficient information? When can we expect you to say OK, we now know enough to make a decision?

ENVIRONMENTAL COMMITMENT

Mrs. GORSUCH. Senator, I would like to respond to your first remarks and then ask Kathleen Bennett to bring you an update on the acid rain legislation.

Let me just say that $3.6 billion, which is our request of the American taxpayer for environmental protection at the Federal level alone in 1984, I think is a very real and a very strong commitment to environmental values which we are asking them to fund.

I don't believe in numbers alone. I never will. And I have always said that the challenge of this job, the challenge of delivering a product to the American people, if it is measured in how much money can I spend and how many more people can I employ, Lord knows this town has enough role models for that operation. That is not my intention. It has not been the way I intend to run the agency. It is to produce environmental results for the American people and to do it in the least costly way.

You make much of the "40-percent reduction" in the operating budget, while you acknowledge that that is "adjusted" for inflation. The Agency's operating budget grew by 60 percent between 1977 and 1980. And in my judgment, no operation can take that kind of infusion of funds and do it efficiently and do it with any kind of productivity.

Senator MITCHELL. Do you include the Defense Department in that statement?

Mrs. GORSUCH. Well, depending on where you start.

Senator MITCHELL. You said no agency.

Mrs. GORSUCH. Well, in my view, no operation, a 60-percent increase in 3 years, depending on where you come from. I have never seen a headline that ever dealt with that. We are trying realistically, given a different set of challenges which we have—our laws are dynamic—to come in with a proposal that we think best meets the needs of the American people for 1 year, for next year. We are not saying that every one of our figures is perfect. No budget can be perfect. They are the best projections that you can come forward with. But it does represent a real and strong commitment to what we need to get done.

There is a 48-percent increase in our request for Superfund. I find it kind of ironic as well in terms of the Superfund appropriation for this year. Many of the criticisms are that we aren't spending enough money. In fact, Congress gave us less than we asked for. Now the measure of are you spending enough or fast enough, I don't think those are really relevant. But it should be noted that we received less from Congress than we requested for Superfund.

Senator MITCHELL. Let me interject and ask you a question. There were several attempts made in the Senate by myself and others to increase the level of funding of various activities within your Agency. Did you support a single one of the efforts to increase the funding?

Mrs. GORSUCH. I would hope not. As a matter of fact, the appropriation for the operating budget which we received from Congress was significantly more than we asked for. While we have lots of priorities in this country, environmental protection is one of them. A $3.6 billion commitment from the American people, that is the largest amount of money spent by any country in the world on environmental protection. That is at the Federal level alone. I have been led to believe, from the figures that I could collect, that it is larger than the collective amounts spent by all other countries in the world.

Senator MITCHELL. If that is true, it is irrelevant. We measure the quality of our air and water by the needs of our people, not by what they may be doing in the Soviet Union or somewhere else.

Mrs. GORSUCH. I fully concur. It was you who said the budget was at least one evidence of the commitment. I wanted to put that in perspective.

Senator MITCHELL. We have gone too long.

Senator STAFFORD. We will turn to Senator Hart.

Senator HART. Congratulations to you and Bob from a fellow Coloradan.

Mrs. GORSUCH. Thank you, Senator.

Senator STAFFORD. Senator Chafee?

SEYMOUR, INDIANA DUMP SITE

Senator CHAFEE. Let me just ask one question, if I might. In his statement, Mr. Lash says, regarding the Seymour Recycling Corp. and dump site in Seymour, Ind., "EPA General Counsel Robert Perry opposed the settlement on the grounds it had no teeth and was inadequate to assure that the cleanup job would be completed." True or false.

Is Mr. Perry here?

Mrs. GORSUCH. Mr. Perry is not here.

Senator CHAFEE. Did those involved receive recommendations from Mr. Perry opposing the settlement on the grounds it had no teeth and was inadequate to assure the cleanup job would be completed?

Mr. LUCERO. Mr. Senator, I think that that is one of those statements that has been paraded around already in the news articles and are taking on a life of their own. The negotiations and the final agreement on that settlement were run through the Department of Justice, through the attorneys represented by Mr. Perry and through my boss at the time, Miss Lavelle. All of the parties fully agreed that the decision was a good one and should be supported.

In addition, in order that the American people could be assured that it was fair, we had specifically demanded from the responsible parties that the agreement be reduced to writing and submitted to the Federal district court judge in Indianapolis, for review. And after 2 days of testimony and 2 or 3 weeks of consideration, including a 30-day prior period for public comment, the judge rendered an opinion.

In that opinion—a fact which the media has ignored to date—the judge said it was a good settlement, it was fair, it was equitable, and it was in the public interest. I would gladly submit that to the record, if you would like.

SEYMOUR, INDIANA LEGAL DECISION

Senator CHAFEE. I think that is an important point to make. In other words, what you are telling me is the Seymour settlement was approved by a U.S. district court judge?

Mr. LUCERO. Yes, sir.

Senator CHAFEE. And after he considered it, after he heard testimony in connection with the settlement——

Mr. LUCERO. Two days' worth of testimony.

Senator CHAFEE [continuing]. Two days' worth of testimony, then he considered it for what, some 30 days?

Mr. LUCERO. He had 30 days of open comment in which comments were received from any party that wished it. He then followed up with 2 days of testimony.

I would point out that the State of Indiana, the local municipality, several agencies of the cities there, the League of Women Voters and several concerned citizens, testified at that time and they supported the agreement. Then, on the basis of that evidence—including the arguments which were made and arguments which were presented on behalf of those parties that were not part of the settlement and who had objections to certain parts of it—

after consideration of all of that evidence, he rendered the decision. It is about a 10-page decision.

Senator CHAFEE. I wonder if you would be good enough to send me a copy of that decision.

Mr. LUCERO. Certainly. (See p. 74.)

Senator CHAFEE. Thank you.

Thank you, Mr. Chairman.

Senator STAFFORD. Thank you, Senator Chafee.

Senator Simpson?

ACID DEPOSITION RESEARCH

Senator SIMPSON. Just one comment. I see my good colleague, George Mitchell, is gone, but I think it is important to note that in the budget there is an increase of $4.3 million for acid deposition research; is that not correct?

Mrs. GORSUCH. That is correct, Mr. Senator.

Senator SIMPSON. I think that is important. And you are going forward with the LIMB program, the limestone injection multistage burner, which is a process which hopefully will reduce SO_2 and NO_x emissions. That is going on, isn't it?

Mrs. GORSUCH. That is correct, Mr. Senator.

Senator SIMPSON. I just think it is important to comment on those.

Finally, Mr. Chairman, with regard to the recent notoriety of the gentleman that has captured our attention with his great new findings, this fellow that we read about, along with the other things that have been discussed—I believe it is Mr. Kaufman, and I don't know the gentleman—but I do recall very distinctly some of his reflections upon this committee and its chairman in the past year which were all totally unfounded. It is fascinating to me how a guy like that can revel in the currency of credibility. But that is the charm of this place.

Thank you.

Senator STAFFORD. Thank you very much, Senator Simpson.

Kathleen Bennett, would you respond in writing to Senator Mitchell's request with respect to the various investigations and research on acid rain?

Ms. BENNETT. I would be pleased to, or I could do it briefly now, Mr. Chairman.

Senator STAFFORD. I beg your pardon?

Ms. BENNETT. I would be pleased to do it briefly now.

A short answer to his question, without the details for the moment, is we have a two-pronged approach in dealing with our acid rain problem. The first is the very stringent controls that are already in operation under the Clean Air Act as originally passed in 1970, which has brought us an unparalleled level of progress in acid rain emissions. The second prong is the research and development side.

Senator Mitchell's questions specifically went to what it is we still need to study. The answer to that is we need to know with sufficient regulatory precision what further control measures over and above those already in place are needed in order to solve a specific, identified, newly characterized, better quantified environmental problem.

The specifics of the research projects that are devoted to answering precisely those questions are contained in our research and development budget. Those are the things Dr. Riordan could testify better to. However, we are now in a position to ask the very specific regulatory-oriented questions that in the past we were not able to ask. That is the same as this research program.

I think it is important to note—I am sorry Senator Baucus is not here because his questions went in this direction last year, that the President's budget in acid rain research has gone up every year since he took office. (See p. 94.)

Senator MITCHELL. Mr. Chairman, could I add another question which could be answered in writing?

Senator STAFFORD. Certainly.

SULPHUR DIOXIE EMISSIONS

Senator MITCHELL. Since you raised the very stringent requirements now in force, would you please list in writing for the members of this committee the number of applications that have been made for relaxation of emission requirements on sulfur dioxide since January 1981, the number that have been granted, and the total tonnage of sulfur dioxide by which emissions have been increased as a direct result of those applications?

Ms. BENNETT. Yes, sir. Your staff has previously made this request of the Agency, and I reviewed the first draft of the response just last evening. In the last fiscal year, there were 54 such requests, and the sum total is about one-half of 1 percent increase of the total nationwide inventory of sulfur dioxide. It is not a significant amount at all.

Senator MITCHELL. That is not my question.

Ms. BENNETT. It was an actual decrease.

Senator MITCHELL. That wasn't my question. My question was since January 1981, that is the first point; and second, the total tonnage that is emitted. Not as a percentage of some national figure. The total tonnage that is emitted. We can then make the calculation.

Ms. BENNETT. Yes, sir. You have the 1981 figures. The 1982 figures are on the way. (see p. 125.)

Senator MITCHELL. Thank you.

SULPHUR DIOXIDE CONTROL

Senator STAFFORD. Thank you, Senator Mitchell.

We do have one more witness this morning. If there are no further questions, the Chair will simply comment that my understanding is progress in SO_2 emission control is really pretty slight. If I recall correctly, we went from about 11 million tons annually in 1950 to about 26 million tons in 1970 and we have progressed to the extent of 2 million tons. We are now at 24 million tons, which is not what I would call very rapid progress in control of sulfur dioxide emissions. If you would care to comment on that in writing, or you can do it now if you prefer.

Ms. **Bennett**. I can answer in general terms and again provide the specifics in writing.

Over the peak years of sulfur dioxide, there has been a decrease of about 5 million tons. This has occurred at a time that electric generating capacity in this Nation has gone up by about 60 percent. We have some 100 scrubbers on operating powerplants. Significant amounts of coal are being washed. We have tall stacks regulations. All of these together, plus the many regulations under State implementation plans, have significantly moved to bring that trend line down. Now the question before the Congress, I believe, is whether it is necessary to institute additional control programs or not. And in order to answer that question, that is why this committee and the Energy Committee authorized the 1980 acid precipitation task force, which is engaged in finding out precisely those answers. (See p. 151.)

Senator Stafford, Thank you very much.

If there are no further questions, we will thank you, Mrs. Gorsuch, and your associates for coming in and joining us this morning.

Mrs. **Gorsuch**. Thank you very much, Mr. Chairman.

Senator **Stafford**. Mr. Lash, we are running overtime, but we would be glad to afford you a few minutes to summarize your statement, if you can.

Mr. Lash, if you could take the witness chair. If our guests could be as quiet as possible in leaving.

Mr. Lash, I know you have a detailed statement. I would appreciate it, and I believe the committee would, if you could place it in the record and summarize it in a few minutes since we are now 52 minutes overtime.

STATEMENT OF JONATHAN LASH, STAFF ATTORNEY, NATURAL RESOURCES DEFENSE COUNCIL

Mr. **Lash**. Thank you, Mr. Chairman. I appreciate the opportunity to testify before you, and I will try to move through my statement very quickly.

I want to begin—I guess Mrs. Gorsuch is gone. I wanted to thank her for calling us members of the loyal opposition. I think that is a fair description of environmentalists of both parties. We are loyal to the EPA and loyal to the EPA's programs and we are certainly loyal to the Nation, and much of the discussion is how best to serve the Nation.

The questions addressed by the Senators to Mrs. Gorsuch were exactly on point. I don't think that the current scandal, if you wish to call it that, or disclosures or headlines are the central issue at the agency. The real question is whether that is a symptom of something broader that is happening at the agency.

One of the points that I think it is important to emphasize is the 10 years of history that went before.

As far as we can recall—and the members of this committee will know better than we—there was not in the first 10 years of the Agency's history a single top official who was ever fired, forced to resign, could not achieve confirmation, or left under pressure. Since Mrs. Gorsuch took office, we count six: Nolan Clark, the first head of the policy office; Frank Shepherd, the first head of enforcement; William Sullivan, his successor; Dr. Andrew Jovanovich, first Acting Director of Research and Development; James Sanderson, the second nominee to head the policy office; and now Miss Lavelle.

That has had an impact on the Agency. That turnover, the changes in policy, the sudden reversals and in some cases the failure to correct internally what should have been corrected, the conduct of Mr. Sanderson, for example, has had an impact on the agency.

As I point out in my written testimony, we still view as very serious the incident involving the Thriftway Refinery in which Mrs. Gorsuch promised not to prosecute that company for violations of the lead-in-gasoline regulations and in fact did not prosecute. At that time she said the regulations would be weakened. Later public pressure forced her to change that position. An action we applaud even if it was forced upon her.

In the hazardous waste program, the problems had begun long before Rita Lavelle ever came to the Agency and I fear will continue now that she has left. Senator Mitchell read the enforcement figures from my written testimony showing a decline in hazardous waste enforcement. Those figures are drawn from EPA computer printouts released to me under the Freedom of Information Act and from responses by EPA to questions submitted by Congressman Dingell on behalf of his Government Oversight Committee.

And to answer the question that Senator Mitchell was hoping Mrs. Gorsuch would take the opportunity to answer, the numbers are up. In the last quarter, as we understand it, there has been an increase in hazardous waste case referrals and in other areas.

The question now that is whether those are quality cases, whether in fact enforcement is going forward vigorously.

Hazardous waste enforcement activities, of course, declined at the same time that the budget was declining. There was an overall decline for hazardous waste activities from $151 million in fiscal 1981 to a request of $103 million for fiscal 1983 and this year a request of $110 million. That was justified on the grounds that the programs were being shifted and different pieces of the hazardous waste program were being taken up in other areas.

We have tried to trace the shifts of programs and staff in hazardous waste enforcement, but when you follow the resources from hazardous waste enforcement into the Office of Legal and Enforcement Counsel or the regulatory strategies implementation program, you find no corresponding increases. And when you inquire of EPA program staff whether in fact there were program resource increases to accommodate these shifts, you hear that there were no such increases.

In fact, in answer to a question in the Appropriations Committee last year, Mr. Perry said the administration proposed to reduce overall enforcement personnel from 2,100 to 1,600. Congress refused to approve that big reduction. But I understood Mrs. Gorsuch to say this morning that they are now requesting a reduction in personnel to 1,500, despite an increase in funds. That is the same personnel that is supposed to be picking up on the programs that have been reduced in media specific areas.

I think it is important to emphasize the early approach that EPA seems to have taken to Superfund implementation. As you will recall, when the interim list of 115 sites was released, EPA sent a letter to all potentially responsible parties asking them to come in and negotiate possible settlements. According to a report prepared by the House, 1 percent of the companies contacted actually responded. William Sullivan, then the agency's enforcement counsel, acknowledged in the words of the Subcommittee on Oversight and Investigations, "A 1-percent response was an indication of industry's perception that EPA is not as serious about enforcement as it should be." That is where the program started out. I think that is the hole that they are trying to dig themselves out of.

You will recall shortly after she came to office, Mrs. Gorsuch suspended the financial responsibility regulations and then suspended the prohibition on the burial of liquids in landfills, decisions that caused so much controversy that they were subsequently reversed.

Over a year ago when Mrs. Gorsuch testified before this committee on leaks about her fiscal 1983 budget, you were already disturbed about Superfund. As I recall, Senator Moynihan grabbed all the headlines by suggesting Mrs. Gorsuch should resign because of inadequate resources available for the implementation of Superfund.

Senator Chafee, you asked about the Seymour settlement. I was careful to point out in my testimony that I was drawing these facts from the press accounts. And if in fact Mr. Perry did not object, then I would withdraw what is said in the testimony, but regret that he did not.

I did not hear Mr. Lucero say Mr. Perry had never objected. I only heard him say that ultimately the settlement went forward with the concurrence of all parties and that the judge approved it, which is a different matter.

In my testimony, I——

Senator CHAFEE. Let me say this, Mr. Lash. I am very sympathetic to what your organization and the other organizations that are affiliated with you are trying to do here. I think you perform a very valuable service.

I think you must be very careful to maintain your credibility by making sure that the points you make are indeed valid.

For instance, you are quite critical of the Seymour settlement. Now I noticed that true, Mr. Lucero didn't specifically say Mr. Perry didn't say these things. He said there was agreement amongst all parties, implying that Mr. Perry had approved it. But it seems to me if the facts are as they say—namely, that the Federal judge approved it—that is a pretty strong case for that settlement. I think we all must agree that settlements aren't necessarily bad.

Mr. LASH. I will start with the end of what you say. I agree completely. Having been a litigator and a Federal prosecutor myself, settlements, or in the criminal context plea bargains, are essential to make the system function efficiently. But once you get into a settlement situation, it is enormously difficult for anyone on the outside to exercise any scrutiny over the way a case is being settled.

We are caught here in a situation where we are seeing press reports that present serious allegations on the basis of inside sources. I think it is left to those who care about the Agency and to those who bear responsibility for oversight to examine those allegations and find out if they are true. We cannot allow the process to remain private and unreviewable.

I, however, thank you for what you have said about our efforts and I share with you your feeling that we have to be very careful to preserve our credibility.

I will not go back over all of the budget figures. I think several of the members of this committee have already recited the Congressional Research Service analysis, which is almost identical with that which we present. I will say one thing about personnel reductions that requires emphasis.

There are figures in my written testimony as to both the permanent, full-time staff and the total work force. Those figures are drawn from official EPA payroll documents. It is our understanding that at the end of 1980 the total work force, including permanent and other than permanent, full-time staff, was just under 15,000 and that the permanent work force was about 11,400. As Mrs. Gorsuch pointed out, she would reduce the permanent work force on the operating programs, exclusive of Superfund, to about 8,050 in the fiscal 1984 budget, which is a significant drop. And as we understand it, the total work force would be reduced to 9,700. That is a very large decline. We use a different starting point for the total work force than she did in calculating her figures. That is why I think we report different results.

I have tried in my written testimony to review numerical indicia of Agency performance. Either we look at the budget numbers or we look at the performance. I had a little of the sense when I listened to Mrs. Gorsuch that perhaps I wasn't looking at the right agency because our conclusions are so different about the Agency's performance. Almost all of the facts that I report are drawn from the public record, either the Federal Register or testimony by EPA officials or from Freedom of Information Act requests that we have submitted. Our view of their performance is, as you may imagine, not quite so rosy as that of Mrs. Gorsuch.

But this committee is in a good position to make its own judgments. You have witnessed at first hand how ineffective EPA has been in the debates on the Clean Air and the Clean Water acts. You will draw your own inferences from Mrs. Gorsuch's pride at issuing toxic effluent gidelines she was forced to issue under court order, after she went to court to seek a long delay in the deadlines. You know better than we how seriously EPA has delayed renewal of NDPES permits.

Mrs. Gorsuch made one point with respect to control technologies and the Agency's reduction in resource commitments for research on control technologies to which I must respond. I think that this committee has heard with some frequency industry complaints that they could not meet deadlines because the technologies were not available. If EPA doesn't sponsor the research to make the technologies available, we will face an endless cycle of having to delay deadlines because technologies aren't there.

Senator **Chafee**. Mr. Lash, I am sorry, but I have to go. I think you perform a valuable service here. I think it is difficult wrestling with one set of statistics versus another. I am hopeful in this committee we can iron out the differences. But nonetheless, I want to thank you, as one Senator, for what you have done.

Mr. **Lash**. Senator, I thank you for staying this long. It has been a long morning and the beginning of the afternoon.

I would like to get to the recommendations we make in our testimony. Senator Stafford, as you know, we are recommending a return of EPA resources to the level of 1981, which would mean a real cut because of inflation. We also recommend the appointment of a special prosecutor. I have to say that I see that not as an attack on the Agency but the only way to restore the Agency's credibility. In fact, it is only by having some outside investigation that these allegations can be put to bed, and I think they need to be. So we hope that the committee will support efforts to have an outside investigation and will go forward with efforts to restore the Agency's budget.

I thank you in particular for the opportunity to testify and for your work on behalf of these programs.

Senator **Stafford**. Thank you very much, Mr. Lash. We do appreciate your being here and presenting another side to this picture which our committee will have to work our way through. Thank you very much, sir.

There may be some questions from the committee to you in writing, if that is agreeable.

Mr. **Lash**. I will be happy to answer any written questions.

Senator **Stafford**. All right. Thank you very much.

The committee stands adjourned until Thursday when we will have a hearing on the Corps of Engineers budget.

[Whereupon, at 1:08 p.m., the committee was recessed, to reconvene subject to the call of the Chair.]

[Additional information requested from EPA, responses to written questions, and Mr. Lash's prepared statement follow:]

TIMES BEACH, MISSOURI

The following documents concerning recent EPA actions in Times Beach are submitted in response to your question. They include: (1) a copy of a letter dated February 21, 1983, from Edward Brandt, Assistant Secretary for Health, conveying a report from the Public Health Service on the EPA sampling activities at Times Beach; (2) a copy of a proposed Federal Register notice dated February 22, 1983, with an expected publication date of March 4, 1983, adding Times Beach to the proposed National Priority List; and (3) a press release dated February 22, 1983, announcing allocation of Superfund resources for permanent relocation of residents of Times Beach, Missouri.

United States
Environmental Protection
Agency

Office of
Public Affairs (A-107)
Washington DC 20460

EPA Environmental News

FOR RELEASE: AFTER 3:00 PM (EST) TUESDAY, FEBRUARY 22, 1983

(202) 382-4355

JOINT FEDERAL/STATE ACTION TAKEN TO RELOCATE TIMES BEACH RESIDENTS

In a joint federal-state action, the Environmental Protection Agency (EPA), the Federal Emergency Management Agency (FEMA), and the State of Missouri announced today that resources have been allocated for the permanent relocation of residents of Times Beach, Mo. The action was necessary after the Centers for Disease Control (CDC) completed analysis of extensive soil sampling in the area and advised that the hazard posed by dioxin contamination is a continuing threat to the health of citizens in the community.

Laboratory analysis of post-flood sampling along roadways (including the shoulders and ditches), houses and yards in Times Beach was completed a few days ago. Of some 255 samples, levels of dioxin in a few yards and in one home show levels of greater than 1 ppb and less than 5ppb. Sample locations in streets, on shoulders and in ditches show levels from nondetectable up to 100 ppb.

Federal and state officials met with the community residents in Eureka, Mo. today to announce the findings. Participating were Anne M. Burford, EPA Administrator; Lee Thomas, Acting Deputy Director of FEMA; Governor Christopher S. Bond, Congressman Robert A. Young, and William N. Hedeman, Jr., Director of EPA's Office of Emergency and Remedial Response.

"I came here today to personally tell the citizens of Times Beach the results of EPA's sampling activities and what we are going to do," Mrs. Burford

-more-told the townspeople. "In response to the CDC's advice, EPA and FEMA have determined that permanent relocation is necessary, and I am transferring to FEMA $33.1 million in Superfund monies to accomplish this. Governor Bond assures me that the State will participate in implementation of the action and will contribute 10 percent of the costs as is required under the Superfund law."

The action being taken is to protect the health and safety of the people in a flood hazard area and is not in itself an environmental solution to the dioxin contamination of Times Beach. EPA will enter into a cooperative agreement with the State of Missouri to do a remedial investigation and feasibility study of the area to determine the appropriate environmental solution.

Today's action resulted from the careful coordination of the Federal Task Force created by President Reagan in January. In addition to EPA, FEMA and CDC, members include the Army Corps of Engineers, the Small Business Administration and residents of Times Beach.

R-30

# # #

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 300

Amendment to the Proposed National Priorities List, Appendix B of the National Oil and Hazardous Substances Contingency Plan

AGENCY: Environmental Protection Agency

ACTION: Proposed Rule

SUMMARY: The Environmental Protection Agency ("EPA") proposes to add to the proposed National Priorities List (47 FR 58476) one additional site, Times Beach, Missouri. The National Priorities List ("NPL") was proposed on December 30, 1982, as an amendment to the National Oil and Hazardous Substances Contingency Plan ("NCP") (47 FR 31180). The NCP was promulgated as required by Section 105 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") which also required that the NCP include a list of national priorities among the known or threatened releases of hazardous substances, pollutants or contaminants in the United States, and that the list be revised at least annually. The NPL identifies priority releases for Fund-financed remedial action and enforcement under CERCLA.

DATES: Comments must be submitted on or before [30 days after publication].

ADDRESSES: Comments on this action may be mailed to Russell H. Wyer, Director, Hazardous Site Control Division, Office of Emergency and Remedial Response (WH-548-E), Environmental Protection Agency, 401 M Street, SW, Washington, D.C. 20460. The public docket for the NPL will contain the applicable Hazard Ranking System score sheets for the Times Beach site as well as a Documentation Record.

SUPPLEMENTARY INFORMATION

The NPL was proposed on December 30, 1982. Subsequent to its proposal, the Times Beach site came to the Agency's attention as a serious candidate for inclusion on the NPL.

The Times Beach, Missouri, site was one of over 100 sites in the State of Missouri at which dioxin contamination was suspected in November 1982. Extensive sampling by EPA in Times Beach in late November - early December 1982 confirmed the presence of dioxin along roadway areas. After the area was flooded in December, EPA returned to re-sample the area and again confirmed the presence of dioxin in residences and yards as well as the roadway areas.

The second round of sampling provided adequate data to assess the nature and extent of the release and to assist in determining its priority for Fund-financed response as required by 300.66(b) of the National Contingency Plan. The results of the scoring indicated Times Beach should be placed on the NPL.

The decision to add Times Beach to the NPL immediately rather than waiting for the first update stems from the serious nature of the problem. Dioxin is one of the most toxic substances known to man; it is carcinogeni suspected to have effects on reproductive systems. The area where the dioxin is located was completely flooded and most of the residents are in temporary housing awaiting a determination of the appropriate action necessary to deal with the release. Placement of Times Beach on the NPL at this time allows the Agency an opportunity to evaluate the widest range of long and short term responses to the release, taking into account the threat to public health and current dislocation of most residents and businesses.

Anne M. Burford, Administator

Dated

Part 300 [Amended]

It is proposed to add an additional site on the National Priorities List which is Appendix B, a proposed amendment to 40 CFR Part 300. The site would appear as the next to last site in Group 5, as follows:

Group 5

EPA Region	State	City/County	Site Name	Response Status+
07	MO	Times Beach	Times Beach	D

+ V = Voluntary or Negotiated Response, R = Federal and State Response, E = Federal and State Enforcement, D = Actions to be Determined

Office of the Assistant Secretary
for Health
Washington DC 20201

FEB 21 1983

The Honorable Anne M. Burford
Administrator
Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

Dear Mrs. Burford:

Enclosed is the Public Health Service's (PHS) report on the findings of the Environmental Protection Agency's post flood sampling at Times Beach, Missouri. As a result of our review of the post flood environmental sampling data, we are neither altering nor rescinding the December 23, 1982 recommendations of the Centers for Disease Control (CDC) concerning public health precautions for residents of Times Beach.

The PHS, through CDC, will continue current health effects activities presently underway at Times Beach. If we can be of any further assistance to you in this area, please do not hesitate to call on me.

Sincerely yours,

Ed Brandt

Edward N. Brandt, Jr., M.D.
Assistant Secretary for Health

DEPARTMENT OF HEALTH & HUMAN SERVICES
Public Health Service

Office of the Assistant Secretary
for Health
Washington DC 20201

TIMES BEACH, MISSOURI
Report of the United States Public Health Service
February 21, 1983

Streets in Times Beach, Missouri, were sprayed with waste oil containing 2,3,7,8-tetrachlorodibenzo-p-dioxin (dioxin) in the early 1970's. In early December 1982, the Environmental Protection Agency (EPA) sampled the soil along the streets and found dioxin levels above 100 parts per billion (ppb) in some samples. A few days later, the area'was flooded. After the flood, the EPA resampled the area to delineate the extent of environmental contamination by dioxin.

Of the 255 environmental samples collected after the flood, results are available on 248 samples. Of these, 149 were classified as negative, 82 as positive, and 17 as unclassifiable. In general, the highest concentration of dioxin was found in the center of the streets underneath a macadam cover where the dioxin was found in concentrations above 100 ppb. In the dirt along the shoulders of the streets, dioxin was found above 1 ppb in 26 of the 39 samples. Seven of these 39 samples demonstrated dioxin content in excess of 100 ppb. In the ditches along the streets, dioxin in concentrations equal to or greater than 1 ppb was found in 20 of the 35 samples. In 4 of these 35 samples, dioxin was found between 20 and 44 ppb. Of the 35 yard samples, dioxin was found equal to or greater than 1 ppb in 3 samples. The highest concentration in the yards was 1.5 ppb. Of the 93 building silt or dust samples, the dioxin concentration was found to be greater than 1 ppb in only one sample. That sample result was 3.4 ppb. Thus, it is evident that the majority of the dioxin contamination was found along the roadways, the road shoulders, and the adjacent ditches with little evidence of extensive dioxin contamination in the yards around the houses or in the houses.

After results of the analysis became available, they were reviewed by the CDC as to the validity and accuracy of the data. These evaluations are available in a seperate report. The quality control system used will allow only the evaluation or interpretation of the analytical data set as a whole, not as individual data points. These data cannot be used to classify a given sample as positive or negative when the analytical result for that sample is in the low ppb range. However, there are sufficient samples above 1 ppb to have confidence in those data classified as positive.

It has been previously calculated that exposure to environmental dioxin levels in soil above 1 ppb in residential areas would represent a health risk. Because of the known toxicity of dioxin and its bioaccumulation and because of the widespread dioxin contamination at levels considerably above 1 ppb, contact with dioxin-containing soil in the Times Beach area on a long term basis represents a health risk.

December 23, 1982

Recommended Public Health Precautions in Times Beach, Missouri

Centers for Disease Control

On December 16, 1982, a private contract laboratory released the results of analyses of soil samples which had been collected at Times Beach before the recent flooding had occurred. These results showed two samples with elevated TCDD (dioxin) levels of 10 and 16 parts per billion (ppb). However, today (12/23/82) preliminary data from Environmental Protection Agency (EPA) contract laboratories have become available for samples which were also collected from Times Beach streets before the recent flooding. The data are very preliminary and EPA has not yet had the opportunity to quality assure and verify these data; however, while most results remain in the range of 1-20 ppb, two of the first 38 samples showed TCDD levels of greater than 100 ppb. At this point, we do not know the extent of areas with these high levels or what has happened to the soil from these more highly contaminated areas as a result of the flooding. It is possible that much of the most highly contaminated soil has been diluted or spread about by the floodwaters; it is also possible that isolated highly contaminated areas still exist or have been shifted to new areas. Because of the high degree of present uncertainty which can only be resolved by further extensive, post-flood sampling, the following public health recommendations are made:

(1) Non-emergency cleanup activities in the Times Beach area should cease; in the unlikely event that emergency activities are necessary, they should be done with full protective gear and only after notification of and consultation with appropriate federal and State agencies.

(2) Residents who have been temporarily relocated are discouraged from moving back in to the area.

(3) Residents who have already begun to move back in to the area are encouraged to leave.

It is recommended that these measures be observed until more extensive post-flood soil sampling and analyses are completed. EPA plans to accomplish these activities within the most rapid time frame possible.

For individuals who choose to remain despite these recommendations, the following minimal precautions should be taken:

A) Individuals should limit direct contact with the soil and should not eat, drink or smoke while working in these areas. In addition, they should wash their hands before any activities which would lead to similar exposures. Also, activities which are likely to produce significant amounts of airborne soil particles should be held to a minimum.

B) Individuals should wear boots which should be thoroughly rinsed off before leaving the area.

C) Coveralls should be worn onsite; if, during the course of their activities individuals should become drenched, coveralls should be changed immediately. In all cases, used coveralls should be kept in plastic bags apart from all other items to be laundered. Then, all similarly soiled clothing should be dry-cleaned (preferably separately from all other cleaning loads).

D) When direct contact with soil is likely, gloves should be worn. These items should then be either cleaned as above or packaged for proper incineration.

E) At this time, the use of respirators does not appear to be warranted; however, the use of dust filter masks is encouraged.

F) Individuals should take care to shower and thoroughly wash off adhered dirt after each day's activities with special attention to areas where dirt might accumulate (e.g., under fingernails).

DRAFT

STATEMENT OF EPA POLICY CONCERNING DELEGATIONS TO STATE AND LOCAL GOVERNMENT

Federal environmental programs were designed by Congress to be administered at the State and local levels wherever possible. The clear intent of this design is to use the strengths of Federal, State, and local governments in a partnership to protect the nation's air, water, and land. State and local governments are expected to assume primary responsibility for the implementation of national programs, while EPA is to provide national environmental leadership, develop general program frameworks, establish standards as required by the legislation, assist States in preparing to assume responsibility for program operations, and ensure national compliance with environmental quality standards.

This Administration's policy, consistent with the intent of Congress, is to transfer the administration of national programs to State and local governments to the fullest extent possible. In delegating programs to States, EPA's practices will reflect our recognition that the ability of State and local governments to implement Federal environmental programs has improved over the past ten years. By "delegation," I am referring to what is legally called "authorization" or "approval." This means the assumption by a State or local government of responsibilities which, in the absence of such action, would rest with the Federal government.

With the recent advances in State and local capabilities to administer environmental programs, it is less and less appropriate for EPA to continue to directly carry out day to day operations which overlap State and local activities. However, delegation of responsibilities to State and local governments is more than a means to avoid duplication in the provision of government services. Delegation means a return of decision-making authority to a level of government which is closer to the people whose lives are actually touched by these decisions.

The purpose of this statement is to guide and direct EPA employees in the Agency's many locations and programs as they participate in making the many individual decisions which affect delegations to States. This statement cannot, by itself, settle all issues surrounding delegation, many of which are complex matters of law and interpretation. However, it does identify the general approach which the Agency will take in resolving such issues.

EPA expects to use the following program approaches and methods to carry out this delegation policy.

1) Treat Delegation Requests As Made In Good Faith

In reviewing applications for delegation, the legislative intent of delegation will be given the fullest and highest priority. Delegation requests should be deferred only when a State or local agency clearly fails to meet the minimum legal requirements for program assumption. When these minimum requirements are met, the Agency will assume that the State is capable of or can achieve the capability of implementing a sound environmental program.

2) Provide Direct Help In Developing State Programs

Where a State or local agency lacks the authority or technical capacity to assume a delegable program, EPA will provide direct support and assistance to States. Top EPA managers should meet on a regular basis with their State counterparts to assess progress and identify and resolve problems before State programs reach the final review and approval process. In particular, it is important for EPA counsel to cooperate with State Attorneys General in assessing the adequacy of State authority and any changes that might be necessary. Early and active direct involvement will help EPA understand State concerns with federal programs and assist both parties in reaching mutually agreeable resolution of differences.

3) Revise Regulations As Needed

The program offices, in consultation with the States, will examine existing EPA regulations to determine where impediments to delegation exist. Once problems are identified, program offices will propose and aggressively pursue regulatory improvements which will allow greater flexibility, consistent with statutory requirements and goals. In a few cases it may be necessary to propose statutory changes. EPA will actively involve its State partners as full participants in decision-making affecting the structure and direction of environmental programs.

4) Be Flexible

While EPA must carry out its legal obligation to ensure that statutory and regulatory requirements are met, the Agency should adopt a more flexible approach to assessing the adequacy of State authority to meet federal statutory and regulatory requirements for delegation. EPA counsel should interpret the regulations, wherever the law allows, to increase the flexibility available to State and local governments. Determining the effectiveness of a State's program should focus on environmental results rather than procedures which are not legally required. EPA will not demand as a condition for delegation that federal programs, once delegated to the States, be administered in precisely the same way in each State. Nor will the Agency expect States to adopt the same manner of administering a program that EPA itself would choose.

DRAFT

5) Streamline Agency Review Procedures

EPA will establish and adhere to review schedules in order to avoid unnecessary delays. There will also be an internal commitment between Headquarters and the Regional Offices to improve communications, develop an efficient means to resolve conflicts, and eliminate duplicate review procedures.

EPA will speak with one voice when reviewing State applications for delegation. Headquarters and Regional offices should provide a single set of comments to States. Resolution of disputes among EPA offices is a shared responsibility and should be accomplished with no unreasonable delays. Moreover, in reviewing delegation applications, EPA will exercise appropriate judgment to ensure that our comments focus on truly important matters.

The easiest way to avoid needless delays is for all responsible offices to be involved early in reviewing a State's application with State officials. Early identification of significant issues is vital. Moreover, I expect each Headquarters program office to have specific, realistic deadlines for the review of delegation applications and to track them so they are met. Once these deadlines are set they should be observed. We need to be able to tell a State, at any point, where its delegation application stands, what issues are under consideration, and when EPA will provide a definitive answer.

6) Use Incentives To Encourage Delegation

EPA will exercise available incentives to encourage delegation. This may take such forms as providing assistance in difficult enforcement cases, detailing personnel to give technical assistance to a State in preparing for delegation, and using program grants to encourage State assumption of delegation responsibilities.

EPA POLICY ON OVERSIGHT

EPA's policy to delegate management responsibilities for environmental programs to State and local agencies carries with it a corresponding EPA responsibility to oversee the conduct of delegated environmental programs under Federal statute. EPA's function in this role is to support the development of sound environmental programs. The purposes of EPA oversight are:

- to promote national consistency in the full and fair application of national environmental laws;

- to allow EPA to report to the President and the Congress on the achievements and needs of national environmental protection programs delegated to the States; and

- to encourage States and EPA to agree on desirable technical support and targets for joint efforts to mitigate environmental problems.

EPA's oversight of State programs will focus on the overall environmental results of those programs. The oversight process will monitor compliance with national standards and statutory and regulatory requirements. It will focus on individual procedures or actions only as indicators of overall program performance.

In its conduct of oversight, EPA will adhere to the following principles.

1) Respect State Technical Judgments

EPA recognizes that many individual decisions about environmental protection require the exercise of technical judgment. In some cases, such as effluent guidelines in water or new source performance standards in air, Federal law makes EPA responsible for setting nationally consistent technical standards. In many other instances, however, technical judgments are required about which responsible experts can and will disagree. EPA will respect the judgments of State technical staff who represent the citizens who will be most affected by the results of these decisions.

2) Base EPA Oversight on Objective Measures and Standards

Objective measures of program performance will be developed and agreed upon by EPA national program managers, Regional Administrators, and State program directors. These measures shall concentrate on program results. Useful oversight can occur only if States and EPA understand in advance about specific standards of performance to be met and how success in meeting them should be measured.

3) Focus on Overall Performance

EPA will set high standards, but will be realistic in reviewing State performance in implementing Federal programs. EPA's concern is that States' programs successfully protect the national interests in public health and the environment which are incorporated in national environmental laws. EPA recognizes that States want to run responsible environmental programs and will work with States to strengthen any identified weaknesses. EPA will not expect States to meet higher standards of performance than EPA itself could meet in practice.

DRAFT

When State or local agencies have demonstrated strong program performance, the extent and frequency of oversight should be reduced. Conversely, poor performance should result in increased oversight by EPA. In general, the Agency's oversight should reflect changing State needs and program priorities.

4) Use On-Site Reviews for Oversight

Oversight will be accomplished primarily by direct contacts with State and local agencies. EPA shall review its written reporting requirements to assess their actual contributions to the timely assessment of environmental problems and progress, and amend regulations where necessary to reduce its dependence on written reports from States.

5) EPA Will Retain Responsibility

EPA retains its responsibility to ensure the full and faithful execution of the laws of the United States both before and after delegation. This responsibility does not conflict with delegation, as State and local governments should be the primary providers of services to citizens, with the Federal government stepping in only when States are unwilling or unable to respond. EPA is, however, responsible under statute for ensuring the consistent application and enforcement of national standards. If direct EPA action is necessary to ensure that environmental laws are carried out, such action will be taken. EPA will also work to resolve interstate pollution disputes among States.

* * * * *

I expect these delegation and oversight policies to be carried out by all EPA Headquarters and Regional personnel. They will demonstrate our commitment to building a productive partnership with the States by pursuing responsible delegation and effective oversight. The success of our efforts to carry out our mission to protect the environment will depend, to a great extent, on the success of the State/EPA partnership. You will have my full support in your efforts to enhance this partnership and carry out the policies described in this statement.

Anne M. Gorsuch
Administrator

RECENT FIGURES ON ENFORCEMENT

EPA has referred to the Department of Justice 39 cases to compel private party response and/or recover Federal expenditures. The following is a list of the cases referred to the Department of Justice.

1. A.H.R.S. Coal Corporation
2. American Surplus
3. Anaconda Road
4. Berncolor
5. Carolawn
6. Chem-Dyne Corporation
7. Conservation Chemical Co.
8. Crystal Chemicals
9. Drake Chemicals
10. Florida Title Corporation
11. General Disposal Site
12. Hardage Indus. Disposal Site
13. Harvey Knotts Site
14. Holder Corporation
15. Hooker Chemical-Love Canal
16. Hooker Chemical-102nd Street
17. Mottolo Property
18. Mountain View Mobile
19. Neosho WasteWater Treatment
20. North East Site
21. Outboard Marine Corp.
22. Price's Landfill
23. Reily Tar and Chemical
24 Roadside PCB Spills
25. So. Recycling-Bluff Road
26. So. Recycling-Drefus
27. So. Recycling-Ft. Lawn
28. Solvents Recovery Sv.
29. Syncon Resins, Inc.
30. Taylor Road Landfill
31. Thiokol Corp. Et. Al.
32. Triangle Chemical
33. Tybouts/New Castle
34. Union Gas Company
35. Velsicol Chemical
36. Vertac, Inc - Jackson
37. Wade Landfill
38. Westinghouse Electric
39. Westinghouse Electric

EPA ENFORCEMENT SETTLEMENTS UNDER CERCLA

Attached is a list of the Agency's settlements to date, including the form of the agreement. Also attached is a list of Administrative Orders and Civil Referrals to the Department of Justice which have occured under the CERCLA enforcement program to date.

Of the 41 settlements to date (the Summit agreement is excluded since the agreement was between the responsible parties and the state of Ohio) 32 have been in the form of either a consent decree (if a filed case) or an administrative order on consent.

A consent decree has the force and effect of a court judgement and prior to its terminination is under the jurisdiction of a federal district court. In the event of noncompliance with an administrative order, the responsible party can be held liable for penalties (fines and treble damages).

Most prior settlements that were ratified as voluntary consent agreements involved "cash outs" or "cost recoveries" whereby responsible parties agreed to pay for response activities to be undertaken by (or were previously undertaken by) the federal government.

SETTLEMENTS

Consent Decrees, Administrative Orders on Consent, Consent Agreements to secure privately financed cleanup and Voluntary Cost Recoveries

Site	Type of Action	$ Value of Action
1. W. R. Grace	C.D	
2. Kin-Buc	C.D.	
3. Automated	C.D.	
4. Gulf Coast Lead	C.D.	
5. Laskin Greenhouse	C.D.	
6. County of Waukesha	C.D.	
7. Energy Systems (ENSCO)	C.D.	
8. Syntex Agri.	C.D.	
9. Am. Ecol. Recycle Research	C.D.	
10. Hooker "Lathrop"	C.D.	
11. General Disposal (Inmont)	C.A. Cost recovery	$700K 30K
Sub-total for FY81		$ 38.7 Million

Note - Estimated $ value of individual settlements are being re-analyzed for quality assurance

C.A.=consent agreement

C.D.=consent decree

AO=§106 administrative order

Site	Type of Action	$ Value of Action
12. Spectron	C.D	700K
13. Langcaster	C.D.	100K
14. ABM-Wade	C.D.	1.6M
15. Bluff Rd.	C.D.	1.6M
16. Waynesboro	C.D	500K
17. Ciszar	C.D.	
18. Vertac	C.D.	1.3M
19. Helena	C.D.	1M
20. Hyde Park (Hooker)	C.D.	30M
21. Bridgeport	C.D.	25K
22. Fike	C.D.	800K
23. Fisher-Calo	C.D.	50K
24. Petro Proc.	C.D.	218K
25. LiPari	C.D.	75K
26. Woburn	AO(consent) cost recovery	3.5M 60K
27. New Bedford	AO(consent)	300K
28. Gold Coast	C.A.	220K
29. Walcott	C.A.	177K
30. Whitewood Creek	C.A.	300K
31. Rose Park	C.A.	1M

Site	Type of Action	$ Value of Action	
32. McAdoo	C.A.	2.1M	
	Cost Recovery	5 K	
33. Chem-Dyne	C.A.	2.2M	
	Cost Recovery		
34. Aidex	Cost Recovery	12K	
35. Summit	C.A./State	$2M	

Note - settlement was with the State of Ohio.

Site	Type of Action	$ Value of Action	
36. Region VIII Spill	Cost Recovery	$100K	

Sub-total for FY 82
Clean up: $45.5 Million (Note - Summit not included)
Cost Recovery: 2.3 Million - Federal

Site	Type of Action	$ Value of Action	
37. Seymour	C.D.	11.2M	
38. Gratiot County	C.D.	24.5M	
	cost recovery:		
	Federal	500K	
	State	13.5M	
39. Solvents Recovery	C.D.	$800K	
40. Olin-Triana	C.D.	$24M +*	Note - Federal Facility
41. Olney, IL.	C.D.	$1.4M	
	Cost recovery		
	Fed	$61K	
	State	$38K	

Site	Type of Action	$ Value of Action
42. Frit Industries	A.O.(consent)	$100K +

Subtotal - FY83 to date Cleanup: $ 62.0 Million
Cost Recovery: .6 Million (Fed.)

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* $24M for 3rd party compensation; no estimate yet on cost of site cleanup.

§106 Administrative Orders Issued Under CERCLA.

Site	Type of A.O.	# A.O. Issued	FY Issued
1. Woburn	(on consent)	1	FY/82
2. New Bedford Harbor	(on consent)	1	FY/82
3. Neosha	(unilateral)	1	FY82
4. MEK Site	(unilateral)	5	FY83
5. Chem-Dyne	(on consent)	112	FY83
6. Pritt	(on consent)	1	FY 83

United States Attorney
Southern District of Indiana

274 United States Courthouse
46 East Ohio Street
Indianapolis, Indiana 46204

317/269-6333
FTS/331-6333

December 15, 1982

Stephen D. Ramsey
Department of Justice
Land & Natural Resources Division
Washington, D.C. 20530

Frank Biros
Office of Waste Programs Enforcement
U.S. Environmental Protection Agency
401 "M" Street, S.W.
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Larry Kyte
U.S. Environmental Protection Agency
Region V
230 South Dearborn Street
Chicago, Illinois 60604

Pam Rekar
U.S. Environmental Protection Agency
Region V
230 South Dearborn Street
Chicago, Illinois 60604

Re: United States of America v. Seymour Recycling, et al.,
Cause No. 80-457-C

Lady and Gentlemen:

Please find enclosed copies of the memorandum opinion of the court. I am informed that the opinion will be sent to West, Dean William F. Harvey of the law school (who does some publishing regularly) and to Lexis.

Very truly yours,

SARAH EVANS BARKER
United States Attorney

Charles Goodloe Jr

By: Charles Goodloe, Jr.
Assistant United States Attorney

Enclosures

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

UNITED STATES OF AMERICA)
)
Plaintiff,)
) Civil Action
v.) No. IP 80-457-C
)
SEYMOUR RECYCLING CORP.,)
et al.,)
)
Defendants.)

MEMORANDUM

This matter comes before the Court for consideration of a proposed Consent Decree which the United States has lodged with the Court. The proposed Consent Decree provides for a surface cleanup of the approximately 60,000 barrels of toxic chemicals, bulk storage, and contaminated soil at the Seymour Recycling Site in Seymour, Indiana.

The United States filed the original complaint in this action on May 19, 1980, alleging violations of Section 7003 of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. § 6973 and Section 311 of the Clean Water Act (CWA), 33 U.S.C. § 1321 against various parties including those who owned and operated the Seymour Recycling Site. Named defendants answered the complaint, and discovery proceeded.

On October 26, 1 82, the United States filed with this Court an amended complaint adding additional allegations as to the original defendants under the Comprehensive Environmental Response, Compensation, and Liability Act (known as "CERCLA" or "Superfund"), 42 U.S.C. § 9606 and § 9607, enacted after the filing of the original complaint. In addition, the United States named in the amended complaint 24 new defendants, who are alleged to have "generated and caused to be transported solid and hazardous wastes and hazardous substances to the Seymour Site for handling, storage, treatment, or disposal." Motions to intervene were filed by the State of Indiana and the County of Jackson on October 26, 1982. On the same day the United States, the State of Indiana, the County of Jackson, Indiana, the City of Seymour, Indiana, the Board of Aviation Commissioners of Seymour, Indiana, and the 24 companies who were the new defendants added by the amended complaint filed a proposed Consent Decree with the Court.

This Consent Decree provides a mechanism by which the surface cleanup of the Seymour Recycling Site may promptly occur. The Decree provides that each of the 24 companies shall, within 15 days after the entry of the Decree, pay to the Seymour Site Trust Fund, established at a bank in Indianapolis, the sum for that company which is shown in Exhibit A to the

Decree.[1] The Trustees of the Fund shall use the money in the Trust Fund to pay Chemical Waste Management, a firm specializing in hazardous waste removal, to perform the surface cleanup at the Seymour Site. The precise scope of work to be done by Chemical Waste Management is set forth in detail in Exhibit B to the Consent Decree. The Decree also provides that Chemical Waste Management shall be responsible for the completion of the work regardless of its ultimate actual cost and that Chemical Waste Management shall purchase a performance bond in the amount of $15,000,000, which bond shall further assure completion of the work. The Decree specifies the obligations of Chemical Waste Management to purchase and to maintain in force insurance policies to protect the United States, the State and the public. It is contemplated that this project shall take approximately one year to complete. The Decree provides for continuing observation and monitoring of the progress of the work by the United States and the State as well as their approval of the satisfactory completion of the work.

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[1] The 24 companies and the amount which each shall pay is as follows: International Business Machines Corporation $2,241,001; General Motors Corporation -- $1,032,961; E.I. du Pont de Nemours & Company, Inc. -- $682,805; General Electric Company -- $665,297; Western Electric Company, Inc. -- $385,172; United Technologies Corporation -- $350,156; Atlantic Richfield Company on behalf of The Anaconda Company, Anaconda Wire & Cable Company, Anaconda Aluminum Company, Anaconda Industries, and Anaconda Magnet Wire -- $245,109; Borg-Warner Chemicals, Inc. -- $245,109; RCA Corporation -- $175,078; Bemis Company Inc. -- $175,078; Ford Motor Company -- $175,078; Whirlpool Corporation -- $140,062; McDonnell Douglas Corporation -- $105,047; Dow Corning Corporation -- $105,047; Pennwalt Corporation -- $100,000; Owens-Illinois, Inc. -- $100,000; The Procter & Gamble Company -- $100,000; General American Transportation Corporation -- $100,000; American Can Company -- $100,000; Olin Corporation -- $100,000; AM General Corporation -- $100,000; Cummins Engine Company Inc. -- $100,000; NCR, Corp. -- $100,000; Waste Resources of Tennessee, Inc. (an affiliate of Chemical Waste Management, Inc.) -- $100,000.

The Decree contains a provision requiring the preservation of documents relating to their business transactions with Seymour Recycling Inc. by the 24 companies. It contains a provision by which the United States, the State and the local governments covenant not to sue, execute judgment or take any civil judicial or administrative action against the 24 companies.

At the time of lodging, the Court set a hearing on the Consent Decree for November 10, 1982. On October 29, 1982, pursuant to its regulations published in 28 CFR 50.7, the United States Department of Justice published notice in the Federal Register, 47 *Fed*. *Reg*. 49107, of the lodging of the Consent Decree and invited public comment on it. The public comment period which is normally thirty (30) days was shortened to ten (10) days, pursuant to these regulations, because in the judgment of the Department of Justice there was a need to begin the surface cleanup expeditiously to abate a serious public health hazard because the advent of winter in the Seymour area could adversely affect the ability of the contractor to begin work at the Site.

In response to the Federal Register notice, comments were received from sixteen corporations. No comments were received from any individual citizens. On November 10, the United States filed with the Court copies of comments which it had received as well as its Response to those comments.

At the November 10 hearing, the United States explained the background to the Decree, and all interested persons, including those who were objecting to the entry of the Decree and were not a party in the action, were provided with an opportunity to participate in the hearing and to present their various positions to the Court. At this hearing, representatives of several objecting companies made statements to the Court. At the conclusion of the hearing the Court indicated, in response to objections that the comment period was too short, that the period for public comment would be extended to November 26, 1982, and that a further hearing would be scheduled by the Court for November 30. Several additional comments were received during this period. These were filed with the Court along with the Response of the United States to the Comments.

At the hearing on November 30, the Court once again permitted all interested persons, including those who were not parties in the action, to participate and to present any objections which they might have to the Decree. Again, several objectors made statements to the Court. There were no requests made for formal intervention, notwithstanding the government's statement that it would not oppose such intervention. Those participating in the hearing on November 30 included, in addition to the United States, representatives of the City of

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Seymour and the Seymour Aviation Board, the State of Indiana, the Seymour Chamber of Commerce, the League of Women Voters of Seymour, representatives from companies within the group of 24, and representatives of companies opposing the decree. The United States presented sworn testimony from an official of Chemical Waste Management, from an official of the Environmental Protection Agency of the United States Government, and from two officials from the State of Indiana. An opportunity was provided for cross-examination of these witnesses. Finally, in addition to the materials submitted by the Department of Justice and the information presented at the hearings on November 10 and November 30, a number of comments about the Consent Decree were submitted directly to the Court. The United States filed its Supplemental Response to Comments as it is required to do so by its regulations. *See* 28 C.F.R. 50.7. After consideration of the comments, the United States continues to advocate the entry of the proposed Decree and gives its consent to the entry of the Decree.

The Court has concluded, based upon a careful review and consideration of all the information presented to it, that the Court should approve the Consent Decree. The surface cleanup authorized by this Decree is a very valuable and important part of the overall cleanup of the Seymour Site, which is in the public interest and particularly in the interest of those citizens affected by the Site. The Court is persuaded that time is of the essence in commencing this cleanup before the onset of winter. Accordingly, this cleanup should proceed as promptly as possible without any further delay.

In deciding whether to approve a proposed decree, a court must inquire whether the decree is consistent both with the Constitution and with the mandate of Congress. See United States v. Kitchikan Pulp Co., 430 F. Supp. 83, 86 (D. Alaska 1977); United States v. Hooker Chemicals and Plastics Corp., 540 F. Supp. 1067, 1072 (W.D.N.Y. 1982). Second, the court "must assure itself that the terms of the decree are fair and adequate." See United States v. Hooker Chemicals and Plastics Corp., 540 F. Supp. at 1072. Finally, the court must inquire whether the settlement is a reasonable one. See In re Corrugated Container Antitrust Litigation, 659 F.2d 1322, 1325 (5th Cir. 1981), cert. denied, 102 S.Ct. 2283 (1982), cert. denied, [illegible] S.Ct. [illegible] ([illegible]). The underlying purpose of the court in making these inquiries is to determine whether the decree adequately protects the public interest. United States v. Ketchikan Pulp Co., supra, 430 F. Supp. at 86. The court "must eschew any rubber stamp approval in favor of an independent evaluation," United States v. Hooker Chemicals and Plastics Corp., supra, 540 F. Supp. at 1072, but because of the clear public policy favoring settlements the court must not substitute its judgment for that of the parties. See Airline Stewards v. American Airlines, 573 F.2d 960, 963 (7th Cir. cert. denied, 439 U.S. 876 (1978).

(1) Legality. With regard to the factors of legality and constitutionality, no objection has been raised to the entry of the Decree. Those statutes under which the amended complaint has been filed empower the United States to bring enforcement actions. See 42 U.S.C. § 9606, 42 U.S.C. § 6928, 42 U.S.C. § 1321(e). Furthermore, the authority of the United States and the Attorney General to compromise during litigation is well established. See United States v. Hooker Chemicals and Plastics Corp., supra, United States v. Kitchikan Pulp Co., supra. Here the Consent Decree is not violative of any law; indeed, it furthers compliance with the statutes under which the action was brought, most particularly with Superfund. In addition, all of the parties to the Decree have consented to the jurisdiction of the Court for the purposes of this Decree.

(2) Fairness. With respect to the rights and obligations of the parties consenting to the Decree, there is no objection as to fairness. All of these parties have urged its entry. This Court has, however, looked beyond the parties consenting thereto and considered the arguments raised by non-parties, both in comments filed with the Department of Justice and in arguments presented to this Court that the entry of the Decree is unfair to them. However, no objecting party requested an opportunity to intervene in this action to offer any evidence of alleged unfairness nor asked to cross-examine any witness.

No citizen of Seymour has objected to the entry of the Decree. However, the unfairness issue has been raised by companies who also generated and/or caused to be transported hazardous waste to the Seymour Site, but who are not included within the group of 24 companies who are a party to the Consent Decree. These objecting companies argued to this Court that the 24 companies who are parties to the Consent Decree and who shipped approximately 50% of the waste to the Site will be paying $7.7 million for the surface cleanup, while the remaining more than 300 companies who shipped the other 50% of the waste to the Site are being asked to pay in separate settlement negotiations with the United States, which are unrelated to this Consent Decree, the sum of $15 million for ground water cleanup at the Site. The Court has considered carefully and in detail the arguments being advanced by these objectors. It has decided, however, to reject these arguments on the basis of the evidence presented to the Court and arguments by counsel for the United States and for one of the 24 companies.

These facts show that the United States, mindful of its responsibility to clean up the Seymour Site in an expeditious manner in the public interest, decided to split the task into two separate parts, each of which the United States estimates comprises approximately one-half of the work required to achieve a total cleanup of the Site. The first of these parts is the cleanup of the surface at the Site. The evidence presented demonstrated that this surface cleanup must necessarily proceed before any subsurface or ground water cleanup because only when the barrels have been removed from the Site will it be possible to clean-up the subsurface. Moreover, the evidence showed that the continued presence of leaking barrels of waste on the surface will exacerbate any groundwater contamination.

The group of 24 companies came to the United States with a proposal by which they would arrange with a contractor to perform the surface cleanup in accordance with specifications agreed to by the companies, the United States and the State, regardless of the cost of that work and regardless of cost overruns. Specifically, the Consent Decree provides a $7.7 million cash fund plus a $15 million completion bond for a total cash fund of $22.5 million to pay for completion of the work described in Exhibit B to the Consent Decree. In addition the United States may look to the contractor's assets to require completion of the work, and the contractor is obligated by the terms of the Decree to complete the surface cleanup set forth in Exhibit B to the Decree regardless of its ultimate cost.

At the same time, the United States has set in motion, through negotiation, a procedure by which each of those companies who sent waste to the Site, but are not parties to the Consent Decree may pay a fixed sum of money, based upon the volume of material which they sent to the Site, and thereby obtain a covenant not to sue by the United States. This is a "cash out" proposal which does not require these parties to arrange for the performance of any work. While in total the sum being asked from those who are not a party to the Consent Decree is greater than the sum being paid by the 24 who are parties to the Decree, this does not render the government's approach unfair to any parties. Those who are parties to the Consent Decree took upon themselves the obligation to hire the contractor and to develop a work proposal by which the surface cleanup is to be completed without active management (but with monitoring) by the United States and without respect to cost. Those companies who are not parties to the Decree have a number of choices. They may accept the government's offer for a cash settlement in return for a covenant not to sue; they may try to form a group of their own to deal with the ground water cleanup in a manner comparable to that dealt with by the 24 companies with respect to the surface; or they may choose to litigate with the United States in which case they may end up with a smaller payment on a proportional basis than those who are in the group of 24.

One of the factors that the Court found persuasive on this issue of unfairness is that by the time of the November 30 hearing approximately 140 companies of those not part of the group of 24 decided to accept the government's "cash out" offer. Their total sum of payment will be in excess of $3 million. To the Court, the large number of acceptances of the government's "cash out" offer indicates that this offer was not unfair and that the government was dealing fairly with those who were not parties to the Consent Decree.

There is a public interest in encouraging parties to come forward first in an effort to settle enforcement cases. This is consistent with the general policy favoring the compromise of claims.

Finally, with respect to the fairness issue, no evidence, such as sworn testimony (as opposed to written statements or arguments of counsel) was ever presented to the Court on this issue by the objectors. Based upon the record before the Court as a whole, the Court finds that the United States has not dealt unfairly with those companies who are not parties to the Consent Decree.

(3) Reasonableness.

In considering the reasonableness of the consent decree, the Court has considered five factors: 1) the nature and extent of the potential hazards at the site; 2) the availability and likelihood of alternatives to the Consent Decree which would result in cleanup of the surface of the site; 3) the adequacy of the technical proposal of the work which will be undertaken; 4) the extent to which the Consent Decree furthers the goals of the statutes which form the basis for this litigation; 5) the extent to which the Court's approval of the Consent Decree is in the public interest.

At the hearing on the Consent Decree, the United States presented the testimony of Beverly Kush, employed as on-scene coordinator for the Seymour site by the United States Environmental Protection Agency, James Hunt, Division of Land Pollution Control of the Board of Health of the State of Indiana, David Lamb, Director of the Division of Land Pollution Control of the Board of Health of the State of Indiana and Raymond W. Bock, Director of Sales and project supervisor for Chemical Waste Management, Inc. which will perform the actual cleanup work at the Seymour site. No other evidence was presented by any other party or participant in the hearing. No one chose to cross-examine the government's witnesses.

The unrebutted testimony of Kush, Hunt and Bock established that there are approximately 60,000 barrels of hazardous chemicals, numerous bulk storage tanks and laboratory chemicals present at the Seymour site. Although fenced, the site is relatively unsecure and is susceptible of [illegible] or easy entry. The site is located within one-half mile of a residential area which depends on wells for drinking water. The runoff of rainwater from the site flows into a drainage ditch which leads off the site and ultimately connects with the East Fork of the White River. Beverly Kush testified that the flow of underground water in the aquifer beneath the site is away from the site towards the residential drinking water wells and the White River.

Through the testimony of Hunt, Bock and Kush the government established that the drums on the site were in an extremely deteriorated condition. The witnesses estimated that between

35-75% of all drums on site were corroded and rusting and were leaking materials into the ground. Government's exhibits 1-27 (a video-tape and twenty-six slide photographs of the site) graphically depicted the dilapidated condition of the barrels on the site. Through the testimony of Hunt and Bock the government showed that the conditions of the barrels had significantly deteriorated during each of the past two years. Kush and Hunt testified that, in their opinions, the site presented an immediate, substantial endangerment to public health and the environment and that fire, explosion and ground water contamination were possible hazards which the conditions at the site could cause.

In the opinion of Kush, Hunt and Bock it is essential that the surface cleanup of the site begin as expeditiously as possible. Bock testified that delaying the beginning of the project until the on-set of winter would make timely completion substantially more difficult if not impossible. He further testified that if frozen ground conditions occurred before the initial site preparation (such as road grading and construction of barrel crushing facilities) was completed, the cleanup activities would in all likelihood not be able to begin until Spring of 1983. Hunt, Kush and Bock all testified that many of the barrels might not withstand another winter at the site and that the condition of the barrels was continuing to deteriorate and would do so if allowed to remain on site.

The Court is persuaded that clean-up of the surface of the site must start as soon as possible to protect against the potential hazards testified to by Kush, Hunt and Bock. The court is very concerned that delay in clean-up will exacerbate the potential for groundwater contamination from the leakage and spillage of chemicals and other substances onto the surface of the site. The government's evidence showed that chemicals and substances which are spilled on the ground at the site may and are getting into groundwater under the site. The Court believes that a prompt cleanup of the surface coupled with analysis of the potential groundwater contamination is essential to the protection of public health and the environment. Kush and Hunt testified that both the federal and state governments place high priority on the determination of the existance and scope of groundwater contamination and the undertaking of the appropriate remedy for it. Both testified that completion of groundwater studies and implementation of a groundwater remedy cannot take place until the surface cleanup is completed. Accordingly, the Court finds the hazardous conditions at the site require an expeditious cleanup of the surface of the Seymour site.

Through the testimony of David Lamb from the Board of Health of the State of Indiana the government established that the State of Indiana lacks any fund with which to match federal expenditures at the site which could come from the Hazardous Response Trust Fund (of "Superfund"). Matching funds are required under Section 104(c)(3) of the Statute, 42 U.S.C. 6904(c)(3). Mr. Lamb testified that the earliest time the State could realistically expect to provide as much as $1 million in matching funds would be the summer or fall of 1983. Matching funds in the amount of $3.5 million would, in Mr. Lamb's opinion, be available no sooner than the summer of 1984. Ms. Kush from EPA testified that no Superfund monies were available to undertake the surface clean-up. Thus, it appears to the Court that the expenditure of funds under authority of Superfund is not a viable alternative to the Consent Decree as a method of insuring expeditious cleanup of the surface of the site.

The Court judicially notices, and it is the unrebutted testimony of Kush and Hunt, that prior to the clean-up plan embodied in the Consent Decree, no plan insuring full cleanup of the surface had been forthcoming from any party to the litigation or any other persons, other than a temporary, emergency action by EPA. No objecting party could assure the Court that the surface cleanup could promptly be accomplished through any other mechanism than the Consent Decree. Government counsel represented to the Court that previous negotiations for cleanup had proved unfruitful. The oral and written representations of counsel for both objecting parties and counsel for one of the defendants which are parties to the decree confirm the past failure of negotiations.

No party disputes the technical adequacy of the plan for surface cleanup. The testimony offered by the government from

Kush, Hunt and Bock convinces the Court that the plan submitted to the Court is acceptable to the state and federal agencies charged in the first instance with assuring that the proposal is adequate to protect public health and the environment. The Court has satisfied itself through expert testimony that the plan is adequate to accomplish the surface cleanup of the site consistent with the protection of public health and the environment which are the goals of the Resource Conservation and Recovery Act (RCRA); Comprehensive Environmental Response Compensation Liability Act and the Clean Water Act.

In addition, the Court has determined that the approach taken here by the United States with respect to hazardous waste cases generally is reasonable from the standpoint of the long-range public interest. It is desirable to settle such cases, without the necessity for litigation.

In considering the reasonableness of the approach taken by the government, the Court has inquired of counsel as to how the group of 24 was developed. The Court is satisfied that the approach taken by the government in negotiating with this group was a reasonable one, having in mind the statutory goals of Superfund. Counsel has represented to the Court the following: As a part of the surface cleanup the 24 companies have created a Trust Fund utilizing a Trust Agreement as their legal mechanism and that IBM, General Motors, Cummins Engine and Merchants National Bank & Trust Company of Indianapolis will be the Trustees. The purpose of this Trust Agreement is to provide for the creation of the Fund which will make payments to Chemical Waste Management to perform the work described in Exhibit B to the Consent Decree. In this regard, the Trust Fund has an agreement with Chemical Waste Management to perform the work described in Exhibit B. This agreement contains a schedule for payments to Chemical Waste Management, and it establishes rights and responsibilities as between Chemical Waste Management and the Trust Fund. The purpose of both of these agreements is to create a funding mechanism to insure prompt completion of the work. Neither the United States nor the State is a party to either of these two agreements. There is a further agreement being negotiated between the United States and the City of Seymour and the Seymour Aviation Board pertaining to the covenant not to sue being given to those companies who are not a party to this group of 24. Counsel has represented to the Court that the United States has no other agreements with the 24 consenting companies listed in Exhibit A to the Consent Decree concerning the cleanup of the Seymour Site.

Under the standards enunciated above, the Court finds that the government's action in entering into this decree is reasonable and is in the public interest. In reaching this determination, the Court has particularly considered the need to abate the hazardous conditions at the site as expeditiously as possible and the unavailability of any other prompt plan to undertake the cleanup.

In its review of the Consent Decree, as originally filed with the Court, the Court observed that the Decree provided that the 24 companies were required to preserve records and documents relating relating to Seymour Recycling Corporation only for a six month period after the effective date of the Decree. In response to a proposal by the Court, the companies agreed to modify that provision (which is in Paragraph XI of the Decree) to require that the companies will each preserve "pending further Court order" records and documents relating to Seymour Recycling Corporation. By this modification of the Decree, the Court has insured the availability of documents and records should a discovery request be made for them in the ongoing litigation with those who are not a party to the Consent Decree. Of course any party to whom a request for the production of documents is made may assert any claims which he has under the Federal Rules of Civil Procedure.

In summary, for the foregoing reasons, the Court believes that the Consent Decree (as modified in Paragraph XI), is in accordance with the public interest. It satisfies the requirements of legality, fairness and reasonableness. Accordingly, the Court has this date signed and entered the Consent Decree.

Dated this 15th day of December, 1982.

William E. Steckler
UNITED STATES DISTRICT JUDGE

ACID DEPOSITION RESEARCH

Question: Would you respond in writing to Senator Mitchell's request with respect to the various investigations and research on acid rain?

EPA believes that research and monitoring programs are needed to allow responsive approaches in the near future. The Interagency Task Force on Acid Precipitation prepared in June 1982 the attached National Acid Precipitation Assessment Plan which lists in detail the research and informational needs. The Task Force is also in the process of preparing its second Annual Report to the President and the Congress which will discuss the state-of-knowledge, the uncertainties in the knowledge and the plans and accomplishments of the research program. We will provide this to this Committee as soon as it is available. For now, the following list of .major research questions provides a concise overview of the thrust and direction of the research program.

o Does acidic deposition significantly damage water resources crops, soils, forests, building materials, or human health? The magnitude and economic values of damages have not been established. Except for the observed acidification of some poorly buffered, high sensitive lakes and streams, current evidence on potential impacts is largely inconclusive. More definite laboratory and field studies are needed to give adequate assessments. An inventory of resources at risk, the degree of risk, and the potential for damage at specific levels of deposition needs to be developed.

o What changes in aquatic impacts will result from changes in atmospheric deposition? Significant disagreement exists now as to what chemical and biological impacts will be changed after a change in acidic deposition. To resolve this, the relationships between annual and periodic doses of acidity and responses of aquatic chemistry and biota need to be determined.

o What are the relative contributions of wet and dry deposition of acids? Dry deposition may constitute up to 50 percent or more of the acidifying substances, and considerable spatial and temporal variation occurs. Reliable methods for collection and quantification of dry deposition are not available and need to be further developed and tested.

o What are the relative contributions of local and distant emission sources to the acidity of deposition at a given location? Neither models nor measurements can now be used with a sufficient degree of confidence to address this question. Additional field experiments will help resolve this uncertainty.

o What are the temporal and spatial distributions of acidic deposition? The fragmented monitoring efforts of the past are inadequate for determining either temporal or spatial trends in precipitation chemistry or past levels of deposition. A long-term monitoring network with standardization and quality control has just been established to answer these questions, and reliable data are only available from 1980 and 1981.

o What changes in deposition to specific sites would result from a given change in emissions of sulfur dioxide, nitrogen oxides, organics, and/or primary sulfate? The amount and type of emission reductions needed to reduce acidic deposition at a given site are uncertain. Better knowledge of atmospheric chemical and transport processes is needed to enable reasonable quantification of source deposition relationships. Models, experiments, and extensive monitoring of deposition are needed to improve our understanding.

INTERAGENCY TASK FORCE ON ACID PRECIPITATION

First Annual Report to the President and the Congress of the United States

January 1982

INTERAGENCY TASK FORCE ON ACID PRECIPITATION

First Annual Report
to the President and the Congress
of the United States

January 1982

Participating Federal Departments and Agencies:

Department of Agriculture (DOA), Joint Chair

Environmental Protection Agency (EPA), Joint Chair

National Oceanic and Atmospheric Administration (NOAA), Joint Chair

Department of the Interior (DOI)

Department of Health and Human Services (HHS)

Department of Commerce (DOC)

Department of Energy (DOE)

Department of State (DOS)

National Aeronautics and Space Administration (NASA)

Council on Environmental Quality (CEQ)

National Science Foundation (NSF)

Tennessee Valley Authority (TVA)

EXECUTIVE SUMMARY

The Interagency Task Force on Acid Precipitation has concentrated its first year's efforts on planning and implementing the National Acid Precipitation Assessment Program.

The National Program was mandated by the Acid Precipitation Act of 1980 (P.L. 96-294) to increase our understanding of the causes and effects of acid rain. The National Program includes research, monitoring and assessment activities that emphasize the timely development of a firmer scientific basis for decision making.

The first Annual Report provides an overview of the scope and policy focus of the research program, Task Force accomplishments, and future activities. The integrated research efforts of the National Program began with the start of FY 1982. Policy-relevant information from this comprehensive research program should start becoming available at the end of FY 1982. The next Annual Report (January 1983) will describe the results of the first full year of research and the implications of those findings.

The Joint Chairmen of the Task Force

Anson B Bertrand
Dr. Anson R. Bertrand
Director, Science & Education
U.S. Department of Agriculture

James Regens
Dr. James L. Regens
Senior Technical Advisor to
the Deputy Administrator
Environmental Protection Agency

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Requests for reports, plans and other
information on the National Program
should be addressed to:

Dr. Chris Bernabo
Executive Director
U.S. Interagency Task Force
on Acid Precipitation
722 Jackson Place, N.W.
Washington, D.C. 20006

I. INTRODUCTION

A. Purpose of the First Annual Report

The Acid Precipitation Act of 1980 (Title VII of P.L. 96-294) created the Interagency Task Force on Acid Precipitation (the Task Force) to plan and implement the National Acid Precipitation Assessment Program (NAPAP). The Act mandates that the Task Force issue an Annual Report to the President and the Congress on the status of the national program. This first Annual Report describes progress in establishing the National Program since passage of the Act. The report outlines the scope and policy focus of the research underway, Task Force accomplishments, and describes future activities.

The Task Force was officially constituted in October 1980 and the National Program began in October 1981, with the start of fiscal year (FY) 1982. During its first year of operation, the Task Force concentrated on drafting and reviewing a comprehensive ten-year plan for the program; establishing an effective research management structure; and developing the first two interagency budgets (for FY 1982 and FY 1983).

Because the integrated federal research effort has just begun, this report does not include major new findings or research results. Rather, it describes the purposes and development of the program as well as the context in which it functions. Future Annual Reports will emphasize research results and their implications. These reports will serve as a means of revising and updating the ten-year National Acid Precipitation Assessment Plan and will provide analyses of the current state of scientific information and timely assessments of the options for managing acid precipitation and its impacts.

B. Background on the Acid Rain Issue

Acid rain has become one of the major environmental issues facing our nation and a matter of international concern. Acid precipitation occurs in varying degrees of severity at different times and places in North America. However, the circumstances of its formation, the nature of its effects under different conditions, and the effectiveness of potential controls are currently the subject of intense debate. The primary concern is that the deposition of acids may be having detrimental effects on ecosystems, water resources, crops and building materials.

Our knowledge of the phenomenon and consequences of acid precipitation must be improved so that we can adequately: 1) establish and verify the relation between emissions and deposition; 2) determine dose-response functions and the extent of the potential impacts so the character and magnitude of the threats we face are clear; and, 3) assess the relative costs and benefits of possible amelioration strategies so the most effective options can be chosen to manage acid precipitation. Because the options to mitigate acid rain and its effects will probably be costly, it is important that more adequate scientific information exist to ensure that any remedial actions will be effective. A more complete description of the acid rain issue and the state of the science is presented in the National Acid Precipitation Assessment Plan (March 1982).

C. Establishment of a National Research and Assessment Program

Recognizing the high level of concern about the acid rain issue and the need for timely production of a firmer scientific basis for policy decisions, Congress passed the Acid Precipitation Act of 1980. This legislation mandated the establishment of a comprehensive ten-year national program to increase our understanding of the causes and effects of acid rain. In compliance with the Act, the federal agencies formed the Interagency Task Force on Acid Precipitation to plan and implement the National Program. A vigorous policy-oriented effort is now underway, with federal support of acid rain research and assessment activities increasing by two-thirds--from $11 million in FY 1980 to $18.2 million for FY 1982. The Task Force's efforts are directed toward developing, as expeditiously as possible, the information needed by policymakers to formulate appropriate actions to deal with acid rain. The Task Force itself has no regulatory authority but will periodically (at the minimum, annually) report to the President and the Congress on the state of our knowledge, what further research is needed, and the policy-relevant implications of the available information. The next two parts of this report briefly describe the activities of the Task Force and status of the National Program.

II. INTERAGENCY TASK FORCE ON ACID PRECIPITATION

A. Organization and Responsibilities

The Interagency Task Force on Acid Precipitation is charged with planning, implementing and managing a comprehensive ten-year national research program to examine the causes and effects of acid precipitation. Jointly chaired by the Department of Agriculture, Environmental Protection Agency and National Oceanic and Atmospheric Administration, the Task Force's membership includes the Departments of the Interior, Health and Human Services, Commerce, Energy, and State; as well as the National Aeronautics and Space Administration; Council on Environmental Quality; National Science Foundation; and Tennessee Valley Authority. The Task Force also includes the Directors of Argonne, Brookhaven, Oak Ridge and Pacific Northwest National Laboratories and four Presidential appointees. An organization chart for the Task Force is shown on page 18.

1. Task Force

The Task Force functions as an interagency board that oversees and manages the National Acid Precipitation Assessment Program (NAPAP). The Task Force is committed to conducting an intensive, policy-oriented research program that provides timely input to policymaking.

The primary responsibilities of the Task Force are to:

--Develop and update the National Acid Precipitation Assessment Plan;

--Oversee and implement a comprehensive ten-year research program that coordinates and focuses the activities of the federal agencies;

--Provide annual reports on the research program's progress and policy implications;

--Maintain an inventory of federally funded acid precipitation research projects;

--Produce an annual interagency budget for the federal program;

--Encourage productive interaction between federal efforts and private sector, academic, state and local governmental and international activities;

--Obtain nonfederal input to the planning and program activities.

The Task Force meets at least three times a year to develop budgets, establish objectives, set priorities, approve plans and reports, and conduct program reviews. All federal acid precipitation research and assessment activities are coordinated and integrated by the Task Force to form a cohesive national program.

2. Budget Process

The role of the Task Force in planning the interagency budget for the National Program is a highly effective aspect of the federal effort. The Task Force develops a coordinated interagency budget for the National Acid Precipitation Assessment Program. By working together through the Task Force, the agencies have established a research program that focuses on addressing national needs while building on the research interests of the individual agencies. The strong interagency planning process prevents proliferation of loosely related projects and thus eliminates wasteful duplication and avoids crucial omissions.

The Task Force sets the research goals for the National Acid Precipitation Assessment Program, identifies the projects needed to meet those goals, and decides which agencies are best suited to conduct the necessary work. The result is a tight, well-designed program of interlocking projects, with each agency contributing to specific aspects of the overall national effort.

3. Program Coordination Office

The Task Force's Program Coordination Office staffs the Joint Chairs in coordinating the planning and management of the program. This office also disseminates information on the program and serves as the primary contact point for states, private groups, the public and other countries. The office is currently housed at the Council on Environmental Quality. It is managed by the Task Force's Executive Director and includes personnel supported by the Joint Chairs (DOA, EPA and NOAA). The Program Coordination Office and its interagency activities are funded by DOA, EPA, NOAA, DOI and DOE.

4. Technical Task Groups

The Task Force has ten working-level Task Groups, one for each of the National Program's nine research categories (see page 11) and one for international activities. These technical groups are responsible for performing detailed planning and implementation functions. The Task Groups include scientists and program managers from all the participating federal agencies and representatives from the four participating National Laboratories.

5. Research Coordination Council

The Research Coordination Council is responsible for integrating the efforts of the various Task Groups and develops draft reports, program plans, budgets, and other recommendations for consideration by the full Task Force. The Joint Chairs have designated the Task Force's Executive Director as chairman of the Research Coordination Council. The Council also includes the leaders of all the Task Groups, the chairperson of the National Laboratory Consortium and other appropriate agency representatives. The Council meets at least four times a year to oversee the Task Groups and to provide input to the full Task Force.

6. National Laboratory Consortium

The four National Laboratories on the Task Force have formed a consortium to organize and coordinate their efforts. The National Laboratory Consortium serves to integrate their acid precipitation research efforts and assists the Task Force in planning and conducting research and assessment activities. Each year the Consortium elects its own chairperson to participate in the Research Coordination Council.

B. Past Activities and Accomplishments

The Task Force officially began operation in October 1980. During its first year, the Task Force concentrated on developing a sound ten-year national plan, forming an effective management structure, preparing interagency budgets (FY 1982 and FY 1983), establishing liaison and coordination with nonfederal research and monitoring efforts, and beginning to implement the comprehensive National Program. A chronological listing of Task Force activities from October 1980 through January 1982 is provided on page 19.

The initial major accomplishments of the Task Force include:

1. Development of the National Acid Precipitation Assessment Plan

This Congressionally mandated document provides a broad blueprint for the National Program. It is written for a general audience and describes the issues, information needs and research planned to meet those needs, program objectives, priorities, outputs and resources, and the organization and management of the Task Force.

In accordance with the Act, a draft National Acid Precipitation Assessment Plan was submitted to Congress in January 1981. Two thousand copies were distributed and comments were received from state and local governments, universities, environmental groups, various industries, the general public, and other nations. The many valuable suggestions of these groups were given careful consideration in the revision of the draft National Plan.

In addition to receiving public comments, the Task Force took other steps to ensure adequate review of the draft National Plan. A joint U.S. National Academy of Sciences and Royal Society of Canada Scientific Committee on Acid Precipitation reviewed the draft plan in March 1981. This bilateral group of 14 prominent scientists provided the Task Force with a very useful critique of the draft document.

In April 1981, the Task Force sponsored a workshop of nonfederal experts to review critically the plan and provide suggestions on how the federal efforts could best be coordinated with the state and private sector activities. The workshop involved a balanced group of 27 participants with diverse expertise and affiliations, including state governments, environmental groups, and various industries. The participants determined the draft was, in general, an excellent beginning and they suggested many valuable improvements.

In June 1981, a delegation of Canadians representing various federal and provincial research groups met with Task Force representatives to discuss our draft plan. Information was exchanged on the two nations' acid rain research efforts and the participants agreed to establish ongoing mechanisms for coordinating research and to continue and expand collaboration on monitoring activities.

The Task Force has used the recommendations from these diverse sources to revise the draft plan. A final version of the National Acid Precipitation Assessment Plan will be issued by the Task Force in March 1982. Improvements to the draft plan include expansion of the sections on control technologies and international cooperation, focusing greater attention on the role of state and private sector efforts in the National Program, and revising the program management section to reflect the improved organizational structure developed by the Task Force. The linkages between research on aquatic and terrestrial ecosystems have been reinforced and more emphasis is placed on studying the effects of acid precipitation on materials.

Through the Task Force's efforts to make these and other improvements, we are confident the final plan provides a sound blueprint for the National Acid Precipitation Assessment Program. The Task Force's Annual Reports will provide a mechanism for periodically updating and refining the National Plan.

2. Formation of an Effective Management Structure for the National Program

The Task Force has established a management structure and processes to ensure effective planning, implementation and oversight of the National Acid Precipitation Assessment Program. As shown on the organization chart (page 18), a series of interagency bodies has been created and is functioning.

A Program Coordination Office has been established and serves as the Joint Chairs' focal point for coordinating interagency planning and management activities. The Office distributed two thousand copies of the draft plan, workshop reports and other documents during the last year. It has responded to numerous information requests and provided a central contact point for the program. Comments and suggestions on the program and draft plan were collected, evaluated and used in revision of the National Plan.

Ten technical Task Groups were created and have been meeting to develop detailed program plans and budgets. The Research Coordination Council was also formed and is functioning to oversee and integrate the Task Groups' activities. These Task Force bodies are working together to ensure continuing and efficient administration of the National Program.

3. Development of FY 1982 and FY 1983 Budgets for the National Program

One of the major responsibilities of the Task Force is to develop annual interagency budgets for the program. Working with all the agencies, the Task Force has established an effective process to integrate and coordinate the various agencies' program budgets into a single cohesive interagency request. The Task Force developed the President's FY 1982 budget request for acid precipitation research. The President's FY 1983 budget proposal for the National Program was also prepared by the Task Force.

4. Implementation of an Accelerated and Expanded National Research Program

With the beginning of FY 1982, the Task Force initiated the comprehensive national research program that Congress mandated. Research on acid precipitation is not only being coordinated, but also expanded and accelerated. Federal research funding has increased by about two-thirds from FY 1980 to FY 1982. The FY 1982 budget breakout is shown on page 21. The President's FY 1983 budget requests a further 20 percent increase in funding for the National Program.

New research is being started on natural sources, atmospheric processes, terrestrial and aquatic impacts and material effects. Expansions of monitoring and assessment activities are also underway. These efforts are described in more detail in Part III and summarized in table form on pages 22 to 26.

5. Establishment of Coordination with Nonfederal Activities

The Task Force is committed to the establishment of a National Program that not only links the federal efforts, but also coordinates these with the research and monitoring activities of state and local governments, private sector groups, environmental organizations and other countries. Initial steps have been taken to develop and encourage such cooperation and more extensive joint planning activities will be held.

Besides reviewing the draft National Plan, the Task Force's April 1981 workshop of nonfederal experts began a dialogue with state and private sector groups. The report of that workshop describes the participants' ideas concerning how coordination and cooperation can best be accomplished. The Task Force is implementing many of these suggestions and is actively pursuing continued exchanges of information with nonfederal groups.

Task Force representatives have held meetings with major nonfederal groups sponsoring research, such as the Electric Power Research Institute (EPRI), and Canadian government scientists. These meetings have focused on reviewing programs and establishing a basis for better understanding and closer coordination of efforts.

C. Task Force Activities for FY 1982

In addition to implementing a vigorous research program, the Task Force plans other significant interagency activities for FY 1982. These activities aim to strengthen the National Program and its relationship to nonfederal efforts. Highlights of anticipated Task Force activities in FY 1982 include:

1. Completing a Detailed Operating Plan for the NAPAP

The technical Task Groups are currently working on drafts of detailed planning documents for their respective research areas. The Research Coordination Council will oversee the development of an integrated and detailed operating plan for the entire program. This document will supplement the more generalized ten-year National Acid Precipitation Assessment Plan and serve as a key tool in helping the Task Force manage the National Program.

2. Preparing the First Critical Assessment Document

A critical and comprehensive assessment of the current state of our knowledge and its policy implications is underway. A wide range of available information is being collected and analyzed by federal and nonfederal scientists, with EPA having responsibility for coordinating the production of a Task Force document and summary. To ensure the highest quality assessment possible, rigorous scientific peer reviews will be made before the document is issued. This first critical assessment document will be valuable to policymakers and researchers in examining the status of our knowledge. A second critical assessment is planned after the first five years of the National Program, in order to reevaluate the state of knowledge at that time.

3. Producing an Inventory of Federally and State-supported Research

The Task Force will inventory all federal- and state-supported acid rain research. This initial tabulation will be maintained and updated in the future for use by the Task Force and all interested parties. A related inventory of private sector activities is underway (coordinated by the American Petroleum Institute) and will be compatible with the Task Force effort so that a complete inventory of all acid precipitation research and monitoring activities in the U.S. will result.

4. Conducting Joint Planning Activities with States and Private Sector Groups

The Task Force will hold workshops and technical meetings with scientists from states, private sector groups or other countries that conduct significant research and monitoring activities. The Task Force will seek joint sponsorship of such meetings to facilitate the coordination and development of cooperative efforts. These joint planning functions will help avoid duplication or gaps in the overall national and international effort, while ensuring that the maximum scientific information is gained from the funds expended by all sources.

5. Convening the First Annual Meeting of the National Acid Precipitation Assessment Program

This meeting will involve participants from throughout the federal effort as well as experts and managers from nonfederal groups. The meeting will emphasize critical reviews of existing projects and planning of future activities.

6. Establishing a National Trends Network (NTN)

The deposition monitoring task group is developing a detailed strategy for the National Trends Network. Once the network design criteria are completed, existing monitoring sites will be examined and the Task Force will begin making the necessary additions and changes to establish a standardized NTN. The current National Acid Deposition Program (NADP) network will provide a foundation for the NTN.

In summary, the Task Force has accomplished a great deal over the past year in implementing the Acid Precipitation Act of 1980. A viable management structure has been established, and a comprehensive federal research and assessment effort is underway. The mechanisms for coordinating with nonfederal activities are in place and will provide for a more cohesive national effort. The Task Force is planning to take a number of steps in FY 1982 to further strengthen the National Acid Precipitation Assessment Program.

III. NATIONAL ACID PRECIPITATION ASSESSMENT PROGRAM

A. Status and Scope of the Program

The National Acid Precipitation Assessment Program's first interagency budget (FY 1982) and the distribution of funds by agency and research category are shown in the table on page 21. Federal funding of acid rain research has increased from $11 million in FY 1980 to $18.2 million in FY 1982. The Task Force is focusing these enhanced resources on accelerating and expanding the research and monitoring activities so that significant results from the program will be available as soon as possible.

The first five years of the National Program will produce data and policy-relevant information which should substantially reduce the uncertainties about the causes and effects of acid precipitation. It is anticipated that policy-relevant information will start becoming available at the end of FY 1982. The next Annual Report (January 1983) will describe the progress made in the first full year of research and the implications of those results. An initial critical assessment of the state of our knowledge and its implications is underway.

The National Acid Precipitation Assessment Program provides a comprehensive effort to examine the multitude of subjects relevant to understanding and addressing the acid rain issue. Activities are being conducted in the following research categories:

Research Category	Coordinating Agency
A. Natural Sources	NOAA
B. Man-made Sources	DOE
C. Atmospheric Processes	NOAA
D. Deposition Monitoring	DOI
E. Aquatic Impacts	EPA
F. Terrestrial Impacts	DOA
G. Effects on Materials	DOI
H. Control Technologies	EPA
I. Assessments and Policy Analysis	EPA

A number of research tasks are being performed in each of these categories. A summary of the research tasks including their relative priority, duration and agency involvement is shown in the table on pages 22 to 26. This table provides a brief overview of the research being conducted under the National Program. A more detailed description of the research is presented in the National Acid Precipitation Assessment Plan (March 1982).

B. Program Strategy

In developing the National Acid Precipitation Assessment Program, the Task Force used the following strategy:

- Build Upon Previous Efforts--The Program, in accordance with its enabling legislation, has used the results of the previous work to develop a national acid rain program. The former Acid Rain Coordinating Committee (ARCC) was reconstituted into the statutory Task Force and the ARCC draft plan was used as a foundation for developing the current Plan.

- Use Existing Knowledge--The National Program builds upon the knowledge and experience already accumulated by scientists from the United States, Canada, Europe and elsewhere. Coordination will be maintained between federally funded research and research supported elsewhere. Available research results and historical records have been used to provide information and guidance in the design of future research and monitoring efforts.

- Establish a Long-Term National Trends Network--The development and long-term maintenance of a carefully designed National Trends Network (NTN) is essential in order to provide a continuous record for use in documenting and understanding changes in the chemistry of wet and dry acid deposition. The highest standards of quality control and assurance will be used in the operations of the NTN so that its records will be reliable. Existing monitoring activities, such as those of the National Atmospheric Deposition Program (NADP), are being integrated into the NTN.

- Conduct Research to Develop New Knowledge--The research being conducted in the National Program is intended to increase rapidly our understanding of the phenomenon and consequences of acid precipitation. The emphasis in the Program's research is on activities which most effectively contribute to establishing a firmer basis for decision making. The Program is ultilizing the expertise available in federal and state agencies, universities, industry, private contractors, and research institutions. Information from research activities initiated as part of the National Program will become available in 1983, and will continue to be produced throughout the remainder of the decade.

- Evaluate Information and the Policy Implications--Information generated by the National Acid Precipitation Assessment Program and other research efforts in this country and abroad, are expected to contribute significantly to our knowledge. The information produced will be synthesized periodically, subjected to scientific peer review, published and interpreted to guide decisions on future research. The Task Force will report annually to the Congress, the President and the nation on the research program's progress and policy-relevant implications of the existing knowledge on acid rain.

C. Research Policy Focus

In the simplest terms, policymakers are concerned with answers to three general questions about acid precipitation: 1) What is it? 2) What are its impacts? 3) How can it be effectively managed? To address these basic policy concerns, scientific information is needed, and specific research tasks must be undertaken to provide that information. The National Acid Precipitation Assessment Program (NAPAP) is conducting research to supply the following information needs:

1. Policy Concern: What are the sources, characteristics, and trends in acid precipitation?

Information Needs	NAPAP Research Tasks Keyed to Summary of Research pages 22 to 26
a. What are the natural sources of acidic and alkaline materials?	
Research is being conducted to determine the extent, character and contribution of natural sources from both land and oceans.	A 1,2
b. What are the man-made sources of acidic material?	
Inventories of the man-made emissions of acid precursors such as SO_x and NO_x as well as oxidant precusors such as hydrocarbons are being analyzed and improved.	B 1,2
c. What is the relationship between source and receptor regions? How are acids and their precursors transported and removed from the atmosphere?	
Intensive research is underway to improve our capability to examine and predict the movement of air masses and pollutants including tracer experiments and computer modeling.	C 1,2,5,6
d. What factors control the production of acids in the atmosphere from their precursors? How do precursors and other pollutants interact?	
Laboratory and field studies are being conducted to investigate the complex chemical and physical changes that occur in the atmosphere (particularly within clouds) and the role of oxidants in acid formation.	C 3,4

e. What is the geographic distribution of acid precipitation?

Monitoring networks are being expanded and standardized. These include a well-designed National Trends Network and Global Trends Network. Continued gathering of data will enable long-term trends to be documented and studied.	D 1,2

f. How has the average acidity of precipitation changed? At what rate?

Analysis of the existing monitoring data and indirect evidence from lake sediments, tree rings, and ice cores will be used to estimate past trends to the extent possible.	I 4,5c

g. What is the relative contribution of wet versus dry deposition of acids?

Efforts are underway to develop methods to measure dry deposition accurately. Once developed, such techniques will be incorporated into the National Trends Network so the amount and composition of dry deposition can be measured reliably.	D 3 I 4

2. Policy Concern: What damages are occurring or could occur from acid precipitation and at what rate?

Information Needs	NAPAP Research Tasks
a. How does acid precipitation affect water resources and aquatic ecosystems and at what rate?	
Research is being done on lakes, streams, wetlands and whole watersheds to determine the factors controlling acidification. The impacts on food chains and organisms ranging from fish to microscopic plants are being investigated.	E 2,3,4,5

b. How does acid precipitation affect terrestrial ecosystems?

The potential impacts of acid deposition on forests, rangelands, wetlands, wildlife, crops and soils are being studied. Beneficial and detrimental aspects are being studied in a wide range of ecosystems. The interaction of acid precipitation with other factors such as disease, pests and drought is under investigation.

F1,2,3,4,5,6,
7,10,11,12

c. What geographic areas and resources are most sensitive to acidification?

Surveys are being made of water resources, soils, geology and other factors to improve our knowledge of what areas and resources may be vulnerable to damage. The extent of lakes, streams and groundwater that are susceptible to acidification is being documented.

E 1
F 9

d. What are the potential human health implications of acid precipitation's effect on drinking water and food supplies?

The role of acidification in leaching toxic materials into our water supplies and possible contamination of fish and crops is being studied. Drinking water will be monitored in sensitive areas.

E 6,7,11
F 8

e. Does acid precipitation significantly damage materials and cultural resources? If so, what are the costs?

The effects of acid deposition on materials such as building stone, metals, and paints is being examined. Techniques to differentiate the effects of various pollutants will be developed. The cost of damage to man-made structures and cultural resources will be estimated.

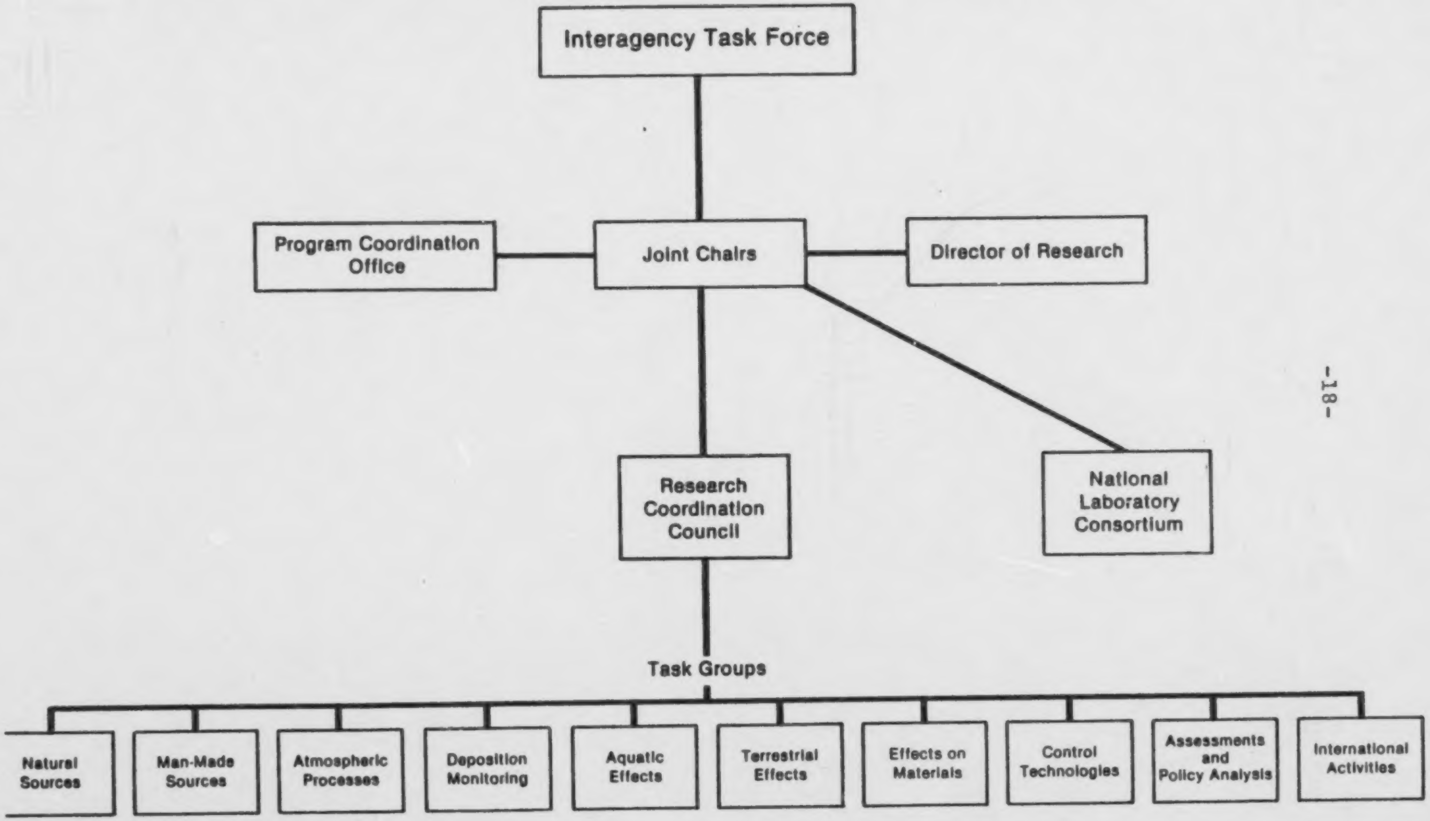
G 1,2,3

3. Policy Concern: What are the options for effectively managing acid precipitation and its effects?

Information Needs	NAPAP Research Tasks
a. What are the implications of currently available scientific information for action? An in depth critical assessment of existing scientific information is underway and the Task Force's Annual Reports will continually update that information and describe the current implications. Special assessments will also be made for each research area as our knowledge develops.	I 1,2,3,4, 5a-k
b. What methods are available to control emissions affecting acid deposition? Analyses will be made of the effectiveness, costs and feasibility of controlling emissions of acids, precursors and oxidants. New technologies are under development and diverse strategies to control emissions will be examined. Optimal solutions combining various technologies and strategies will be explored.	I 1,2,5f
c. What methods are available to mitigate the effects of acid precipitation? Information is being generated and analyzed on the effectiveness, costs and limitations of treating drinking water, liming lakes, applying protective coatings to materials, breeding more acid tolerant organisms and other measures to help mitigate impacts.	E 7,12 F 11 G 4 I 2
d. What are the types and magnitudes of uncertainties in current scientific knowledge about each aspect of the acid precipitation phenomenon (i.e. sources, atmospheric process, effects)? How sensitive are conclusions to each type of uncertainty? Sensitivity analyses will be conducted of the entire acid precipitation chain of events as a system. The relative importance of uncertainty about various components of the system will be identified.	I 4,5a-k

The National Acid Precipitation Assessment Program is addressing each of these policy concerns and information needs in the research now underway. Significant new results and assessments should start becoming available after the first full year of the program. The Task Force will disseminate this information through assessment documents, Annual Reports, workshops, conferences and research papers.

INTERAGENCY TASK FORCE ON ACID PRECIPITATION


Interagency Task Force
Program Coordination Office
Joint Chairs
Director of Research
Research Coordination Council
National Laboratory Consortium
Task Groups
Natural Sources
Man-Made Sources
Atmospheric Processes
Deposition Monitoring
Aquatic Effects
Terrestrial Effects
Effects on Materials
Control Technologies
Assessments and Policy Analysis
International Activities

INTERAGENCY TASK FORCE ON ACID PRECIPITATION

LIST OF ACTIVITIES

OCTOBER 15, 1980 TO FEBRUARY 1, 1982

Date	Activity	Purpose
10/15/80	Initial Task Force meeting	Establish Task Force, begin development of draft National Plan and FY 1982 interagency budget.
11/21/80	Task Force meeting	Develop interagency budget process and agree to designation of coordinating agencies for research categories
1/8/81	Task Force meeting	Discussion and revision of draft plan, review and approve FY 1982 budget
1/16/81	Transmittal of draft National Plan to Congress	Compliance with Acid Precipitation Act of 1980 (P.L. 96-294)
2/1/81	Begin public comment period	2,000 copies of draft Plan distributed to researchers, state and local governments, industry, environmental groups, and the general public
2/20/81	Ad Hoc Working Group meeting	Develop plan for April workshop to review draft National Plan, formation of Task Groups and work on budget process
3/21/81	Joint U.S. National Academy of Sciences/Royal Society of Canada Scientific Committee on Acid Precipitation	Scientific review of Task Force's draft Plan
3/19/81-4/9/81	Ad hoc Task Force Workshop Team meetings	Planning for workshop of nonfederal experts
4/1/81	End official public comment period on draft Plan	Over 250 sets of written comments received from diverse sources
4/20-22/81	Task Force sponsored Workshop (Frederick, Md.)	Workshop of nonfederal experts from states, industry, and environmental groups to review draft Plan and discuss program implementation
5/20/81	Task Group leaders meeting	Review of Workshop report, evaluation of public comments, revision of draft Plan

Date	Activity	Purpose
6/18/81	Task Group leaders meeting	Begin FY 1983 budget process, Task Group leaders discuss their activities and accomplishments
8/6/81	Research Coordination Council (includes Task Group leaders)	FY 1983 budget formulation and evaluation of program proposals
8/13/81	Research Coordination Council	FY 1983 budget and program priorities, improvements to draft Plan
8/18/81	Task Force meeting	Review Task Force activities, consider and approve FY 1983 interagency budget
11/25/81	Research Coordination Council	Review Task Group activities, plan for first Annual Report
12/18/81	Research Coordination Council	Revision of President's FY 1983 budget
1/26/82	Research Coordination Council	Discuss final changes to National Plan, review Task Group functions
2/1/82	Task Force meeting	Review final National Acid Precipitation Assessment Plan.

Interagency Task Force on Acid Precipitation

FY 1982 BUDGET
($ thousands)

	EPA	DOA		NOAA	DOE	DOI			TVA	Total
		SE	FS			PS	GS	FW		
A. Natural Sources	--	--	--	600	--	--	--	--	--	600
B. Man-Made Sources	870	--	--	--	300	--	--	--	--	1170
C. Atmospheric Processes	3273	--	--	600	805	50	--	--	126	4854
D. Deposition Monitoring	797	304	127	700	497	75	585	--	--	3085
E. Aquatic Impacts	1475	--	135	--	560	98	645	50	133	3096
F. Terrestrial Impacts	1355	964	570	--	122	186	320	50	66	3633
G. Effects on Materials	250	--	--	--	--	235	--	--	--	485
I. Assessments and Policy	1105	--	--	--	260	--	--	--	--	1365
Subtotals		1268	832			644	1550	100		
Totals	9125	2100		1900	2544		2294		325	18,288

NATIONAL ACID PRECIPITATION ASSESSMENT PROGRAM
SUMMARY OF RESEARCH

Research Task (Coordinating Agency)	Priority	Duration (FY)	Agency Involvement* (Participating = 1) (Contributing = 2) DOA	EPA	NOAA	DOI	DOE	NSF	TVA	Other
A. Natural Sources (NOAA)										
1. Analysis & Assessment of Natural Sources of Acid Deposition	1	1981-1986		2	1	2	2	2		NASA
2. Case Studies of Neutralizing Materials in the Atmosphere	1	1981-1986	2	2	1		2	2	2	NASA
B. Man-Made Sources (DOE)										
1. Inventories of Current Emissions of Poluttants of Interest	1	1981-1990		1			1		2	
2. Developing Models for Emissions & Economic Analysis	1	1982-1990		1			1		2	
3. Baseline Emission Projections	1	1982-1990		1			1		2	
4. Analysis of Historic Emission Trends	2	1982-1986		1			1		2	
5. Detailed Analyses of Factors Affecting Emissions from Man-Made Sources	2	1983-1990		1			1		2	
C. Atmospheric Processes (NOAA)										
1. Research on Long-Range Transport & Dispersion	1	1982-1987		1	1	1	2	2	2	NASA
2. Determining Global & Regional Circulation of Acidic Materials	1	1980-1986		1	1		1	2	2	NASA

* Note - Agencies are considered participating in a task when they have resources specifically committed to it. Contributing agencies are ones conducting work that is relevant to the task but not directly involved as principals in the project.

SUMMARY OF NAPAP RESEARCH
(Continued)

Research Task (Coordinating Agency)	Priority	Duration (FY)	Agency Involvement (Participating = 1) (Contributing = 2) DOA	EPA	NOAA	DOI	DOE	NSF	TVA	Other
3. Investigating Chemical & Physical Transformations	1	1980-1990		1	1		1	2	1	NASA
4. Research on the Scavenging of Particles & Gases by Clouds	1	1980-1990		1	1		1	2		NASA
5. Improving Modeling Data Bases	3	1981-1985		2	2		1		2	
6. Improving Computer Simulation	1	1980-1985		1	1		1			
D. Deposition Monitoring (DOI)										
1. Continued Improvement & Evaluation of the Global Trends Networks (GTN)	1	1980-1990		1	1		2			
2. Further Development of National Trends Network (NTN)	1	1980-1990	1	1	1	1	2		1	
3. Developing Methods for Sampling Dry Measurements	1	1982-1987	2	1	1	2	1			
4. Expansion & Improvement of the Research Support Networks	1	1980-1990		1	1	1	1		2	
E. Aquatic Impacts (EPA)										
1. Monitoring National & Regional Water Quality	1	1982-1987	1	1		1			1	
2. Determining Factors that Control Lake Susceptibility	1	1980-1985	1	1		1		2	1	
3. Determining Relative Contribution of Nitric and Sulfuric Acid Inputs	1	1981-1986	1	1		1		2	1	
4. Evaluating the Significance of Mobilization of Toxic Metals	2	1982-1987	1	1		1	2		1	
5. Modeling Watershed Dose/Response Relationship	1	1981-1986	1	1		1	2	2	1	
6. Studying Acidification of Drinking-Water Sources	1	1980-1984		1		1				HHS
7. Monitoring Drinking-Water & Evaluating Treatment Methods	2	1983-1986		1		1				HHS

SUMMARY OF NAPAP RESEARCH
(Continued)

Research Task (Coordinating Agency)	Priority	Duration (FY)	Agency Involvement (Participating = 1) (Contributing = 2) DOA	EPA	NOAA	DOI	DOE	NSF	TVA	Other
8. Monitoring Regional Trends in Biological Effects	1	'1980-1984		1		1			2	
9. Studying Watershed Productivity	1	1980-1990	1	1		1	2	2	1	
10. Identifying Vulnerable Growth Stages	1	1980-1985		1		1	2	2		
11. Studying Metal Contamination of Fish	2	1981-1983		2		1	2			
12. Analyzing Mitigation Strategies for Acidified Lakes	2	1982-1987	1	1		1			1	
F. Terrestrial Impacts (DOA)										
1. Studying Effects on Growth & Productivity of Forest Trees and Range Plants	1	1980-1990	1	1		1	2	2	1	
2. Identifying Vulnerable Growth Stages in Plants	2	1980-1990	1	2			2			
3. Investigating Effects on Metabolic Functions and Cellular Structures	1	1982-1992	1				2	2		
4. Analyzing Acid Deposition Induced Predisposition of Forest and Range Plants to Diseases and Insects	1	1982-1987	1	2						
5. Screening of Crop Species Sensitivity	1	1980-1985	1	1		1	2	2	1	
6. Developing Dose-Response Relationships for Crop Growth and Yield	2	1982-1987	1	1			2		2	
7. Investigating Acid Deposition Induced Predispositions of Crops to Susceptibility to Diseases and Insects	3	1982-1987	1	1						

SUMMARY OF NAPAP RESEARCH
(Continued)

Research Task (Coordinating Agency)	Priority	Duration (FY)	Agency Involvement (Participating = 1) (Contributing = 2) DOA	EPA	NOAA	DOI	DOE	NSF	TVA	Other
8. Analyzing Metal Contamination of Crops	3	1982-1984	1				2			HHS
9. Characterizing Soil Vulnerability	1	1982-1985	1	1		1				
10. Studying Effects on the Ability of Soils to Support Vegetation	1	1980-1985	1	1			1	2	2	
11. Analyzing Soil Degradation Mechanisms & Mitigation Measures	3	1982-1987	1	1						
12. Analyzing the Buffering Capacity & Response of Watersheds to Acid Deposition	1	1981-1986	1	1		2	2	2	1	
G. Materials & Cultural Resources (DOI)										
1. Investigating Effects on Materials and Cultural Resources	1	1980-1985		1		1				GSA;DOD;NBS
2. Determining the Susceptibility of Cultural Resources	1	1982-1987		1		1				GSA;NBS
3. Estimating the Costs of Materials Damage	2	1984-1987		1		2		2		GSA;NBS
4. Research on Protective Coatings & Mitigative Treatments	3	1983-1986		1		1				GSA;DOD;NBS
I. Assessments & Policy Analysis (EPA)										
1. Compilation and evaluation of Costs and Performance of Potential Mitigation Measures	1	1982-1991	2	1		2	2			
2. Integrated Assessment of the Acid Precipitation Phenomenon and Potential Mitigation Measures	1	1982-1990	2	1		2	1			CEQ
3. Preparing Special Scientific and Policy Assessment Documents	1	1981-1990	1	1	1	1	1	2	2	DOS;HHS; NASA

SUMMARY OF NAPAP RESEARCH
(Continued)

Research Task (Coordinating (Agency)	Priority	Duration (FY)	Agency Involvement (Participating = 1)					(Contributing = 2)		
			DOA	EPA	NOAA	DOI	DOE	NSF	TVA	Other
4. Program Information and Coordination Activities	1	Ongoing	1	1	1	1	1	1		CEQ(1)
5. Special Assessments and Analyses (Program's First 5-Years)	1	-- --	1	1	1	1	1	2	1	DOS;HHS; NASA;NBS
a. National Survey of Sensitive Lakes and Streams (EPA)		1982-1983								
b. Deposition Monitoring Strategy (DOI)		1982-1983								
c. Analysis of Trends in Acid Deposition (EPA)		1983-1984								
d. Atmospheric Processes Analysis (NOAA)		1983-1984								
e. Effects on Agricultural Terrestrial Systems (DOA)		1983-1984								
f. State of the Art in Control Technology (EPA)		1983-1984								
g. Man-made Sources Assessment (DOE)		1983-1984								
h. Effects on Nonagricultural Terrestrial Systems (DOA)		1984-1985								
i. Damage Assessment for Materials and Cultural Resources (DOI)		1984-1985								
j. Natural Sources Assessment (NOAA)		1984-1985								
k. Second Critical Assessment of Scientific Knowledge and Policy Implications (EPA)		1985-1986								

NUMBER OF RELAXATIONS IN SO_2 CONTROLS

The Senator requested the number of relaxations in SO_2 emissions. A better understanding and more representative of the SIP activities can be had by review of all the SO_2 SIP actions. As can be noted from the information previously submitted and attached, not all SIP actions are relaxations. In fact, many result in no change in actual SO_2 emissions and others result in decreases. Some responses to requested SIP action were denied.

A February 22, 1982 response to an earlier request provided to the Senator and others those SIP actions in 1981 that considered SO_2 emissions. The Agency forwarded to the Senator on February 16, 1983, the list of actions addressed during 1982. Both of these submissions are attached. This will provide the data base requested. It should be noted that eighteen (18) of actions in the 1982 list were proposed or started in 1981 and, therefore, represent the same activity on the earlier first response.

FEB 16 [illegible]

Honorable George J. Mitchell
United States Senate
Washington, D.C.

Dear Senator Mitchell:

As requested by Charlene Sturbitts of your staff, I have enclosed a set of charts summarizing the actions taken by the Environmental Protection Agency (EPA) as a result of State requests for revisions that affect sulfur dioxide (SO_2) emissions for stationary sources. The charts include all revisions to State Implementation Plans (SIP's) that were either proposed or finalized during the course of the year. The format is the same as that used in the previous 1981 summary provided to your office on February 22, 1982. Each source or source category is identified by size, old and new emission limits, current actual fuel usage where such data are available, and status of the action. The difference in emissions from both the old allowable limits and current actual emissions versus the revised emission limits are indicated in the last two columns of the charts.

Several actions identified in the charts, while appearing to be relaxations of emission limits for the sources, have additional restrictions applied to their mode of operation (maximum allowable capacity utilization, hours of operation, etc.) which offset the effect of the relaxed emission limits. Item 5, Northeast Petroleum of Massachusetts, is an example of such a situation.

The information in the enclosed charts encompasses and supersedes any information provided by EPA in earlier reports to the Senate. I will be pleased to discuss this information in more detail if you would find it helpful.

Sincerely yours,

Kathleen M. Bennett
Assistant Administrator
for Air, Noise, and Radiation

Enclosure

cc: Charlene Sturbitts w/enclosure

The information in the table is most useful in understanding the impacts of individual SIP actions. The majority of the old limits were revised to adopt higher, but more realistic and enforceable limits. These revisions were possible without violation of any air quality standard or PSD increment. Total SO_2 emissions are affected by a host of interactive factors. I would caution reviewers against any use of gross totals of the emission table data as an indicator of actual SO_2 impacts in the U.S.

The information in the enclosed table encompasses and supersedes the information provided by EPA in earlier reports to the Senate. I will be pleased to discuss this information in more detail if you would find it helpful.

Sincerely yours,

Kathleen M. Bennett

Kathleen M. Bennett
Assistant Administrator
for Air, Noise and Radiation

Enclosure

cc: Charlene Sturbitts w/enc.

No.	State	Area/Facility	Size	Old Max.	New Max.	Actual	Status of Action	Comments	*Actual	*Paper Chang
				% = percent sulfur in fuel lbs - lbs/10^{6}Btu)					SO_2 Impact[1] (tons/year)	
Region 1:										
1.	MA	Canal Electric Power Plant	1071 MW	2.2%	2.8%	2.1%	State Application		+ 20,900	+ 20,000
2.	MA	Holyoke Power Plant	136 MW	1.0%	2.2%	1.0%	State Application	Prop. 2-10-82	+ 4,200	+ 4,200
3.	MA	Statewide Relaxation	less than 100x10^{6}Btu	1.0%	2.2%	see note 2	Final - 1/19/81	several sources with different fuels	+ 500	+ 3,850
4.	MA	Natick Paperboard	less than 60x10^{6}Btu	1.0%	2.2%	1.6%	Final - 1/27/81		+ 200	+ 350
5.	MA	Energy Initiative	less than 250x10^{6}Btu	1.0%	2.2%	see note 2	Final - 3/19/81	several sources with different fuels	-0-	+ 47,000
6.	MA	Mystic Power Plant	551 MW	1.0%	2.2%	1.0%	Final - 8/11/81		+ 43,400	+ 43,400
7.	MA	Mt.Tom Power Plant		Delayed Compliance Order			Prop. - 7/31/81	no change in emission limits	-0-	0-
8.	MA	Salem Harbor Power Plant		Delayed Compliance Order			Prop. - 7/31/81 Final 2-19-82	no change in emission limits	-0-	0-
9.	MA	Millers Falls	50x10^6 Btu/hr.	1.0%	2.2%	1.0%	Final - 9/17/81		+ 275	275
10.	MA	Eastman Gellatine	150x10^6 Btu/hr	1.0%	2.2%	1.0%	Final - 12/15/81		+ 900	+ 900
11.	MA	Haverhill Paperboard	242x10^6 Btu/hr.	1.4%	2.2%	1.4%	Final - 12/15/81		+ 1000	+ 1000
12.	RI	Naragansett Bubble: South Street Plant. Manchester Street	 1127x10^6 1612x10^6 Btu/hr.	 1.0% 1.0%	 2.2% -0-	 1.0% 1.0%	Final - 1/21/81	Bubble: when South Street burns 2.2%, Manchester burns gas to compensat	- 1400	0-
13.	RI	Bradford Dyeing	100x10^6 Btu/hr.	1.0%	2.2%	1.0%	Final - 12/30/81	Relaxation subject to operation restr.	+ 500	0

*Actual SO_2 Impact: Emission differences between actual fuel in use and new maximum SO_2 limit.
*Paper Change: Emission differences between old and new limits on sulfur content.

No.	State	Area/Facility	Size	% - percent sulfur in fuel lbs - lbs/10^6Btu Old Max.	New Max.	Actual	Status of Action	Comments	SO_2 Impact (tons/year) Actual	*Paper Change
Region I (contin.)										
14.	CT	Federal Paperboard	275x10^6 Btu/hr.	0.5%	1.7%	0.5%	Final - 4/27/81	Relaxation	+ 1,450	+ 1,450
15.	CT	"Btu Bubble" Req.	all sources	0.5%	2.2%	see note #2	Final - 8/28/81	Several sources with different fuels	-0-	+194,000
16.	CT	Uniroyal	185x10^6 Btu/hr.	0.5%	1.0%	0.5%	Final - 10/23/81	Bubble	-0-	0
17.	CT	Statewide Uniroyal/Pratt Whitney		0.5% 0.5%	1.0% 1.0%	see note #2 0.5%	Final - 11/18/81 Final - 12/22/81	Relaxation " "	+ 47,000	+ 47,000
18.	ME	Metro Portland		1.5%	2.5%	2.5%	Prop. - 8/5/81	Multi-county Relaxation	-0-	+ 10,000
19.	VT	Statewide		1.0%	2.0%	see note #2	Prop. - 8/5/81	Several sources with different fuels	-0-	+ 4,400
Region II										
20.	NY	General Electric	400x10^6 Btu/hr	2.0%	2.8%	2.0%	State Application	Industrial Boiler	+ 2,000	+ 2,000
21.	NY	Kings Park Hospital	400x10^6 Btu/hr.	1.2 lbs.	4.4 lbs.	1.2 lbs.	State Application	Industrial Boiler	+ 2,000	+ 2,000
22.	NJ	Deepwater Power Plant	80 MW	0.5%	1.5%	0.5%	Final - 1/19/81	Relaxation of Unit #8	+ 2,000	+ 2,000
23.	NJ	Statewide Use of Anthracite Coal		1.0%	0.9%	0.9%	Final - 11/3/81	See note #3	-0-	0
24. See note #13	NJ	Burlington Power Plant	183 MW	0.5% oil	1.5% coal	0.5% oil	Final - 3/20/81	Oil to Coal Conversion	+ 10,000	+ 10,000
25.	NY	Variance for 3 AQCRs	less than 250x10^6 Btu/hr	2.0%	2.8%	see note #2	Final - 1/27/81	Variance for two years only	-0-	+ 14,000
26.	NY	Oswego	850 MW	2.0%	2.8%	2.8%	Final - 3/19/81	Relaxation	-0-	+ 14,000

1981 SO_2 State Implementation Plan Revisions

% = percent sulfur in fuel
lbs = lbs/10^6Btu

No.	– State	Area/Facility	Size	Old Max.	New Max.	Actual	Status of Action	Comments	SO_2 Impact (tons/year) Actual	*Paper Change
Region II(contin.)										
27.	NY	Northport Power Plant	1167 MW	1.0%	2.8%	2.8%	Final - 9/24/81		-0-	+ 92,000
28.	NY	Port Jefferson Power Plant	375 MW	1.0%	2.8%	2.8%	" " "		-0-	+ 31,000
29.	NY	Authur Kill Power Plant	850 MW	0.3%	1.5%	1.5%	Prop. - 9/28/81		-0-	+ 15,000
30.	NY	Ravenswood Power Plant	1000 MW	0.3%	1.5%	1.5%	" " "		-0-	+ 40,000
31.	NY	Rotterdam Power Plant	$1000x10^6$ Btu/hr.	2.0%	2.8%	2.0%	Prop. - 12/8/81		+ 2,000	+ 7,000
32.	VI	Hess Oil	$700x10^6$ Btu/hr	0.5%	1.5%	1.5%	Final - 9/3/81		-0-	+ 4,500
33.	VI	Martin Marietta	$1200x10^6$ Btu/hr.	0.5%	1.5%*	1.5%	" " "		-0-	+ 6,500
Region III										
34.	PA	Armstrong Power Plant	1872 MW	4.0 lbs.	4.0 lbs	3.04 lbs	Final - 8/28/81	See note #4	-0-	0
35.	PA	Eight Air Basins		4.0 lbs.	4.8 24 hr/no exc. 4.0 24 hr/w 2 exc. 3.7 30 day rolling average		Prop. - 9/11/81	No change in the prior limit, 2 constraints added	-0-	0
36.	PA	Philadelphia Coal Use	less than $250x10^6$ Btu/hr.	0.3%	0.6 lbs. annual av. 1.0 lbs. 24 hr. av. w/ 2 exceedences 1.2 lbs. 24 hr. av. w/ no exceedence	0.3%	Final - 9/17/81	emission limits expanded with minor net increases.	600	+ 600

1981 SO_2 State Implementation Plan Revisions

% = percent sulfur in fuel
lbs = lbs/10^6Btu)

									SO_2 Impact (tons/year)	
No.	State	Area/Facility	Size	Old Max.	New Max.	Actual	Status of Action	Comments	Actual	*Paper Change
Region III(contin.)										
37.	PA	Homer City Power Plant	2012 MW	3.2 lbs. (units 1 & 2 @ 4.0 lbs/ unit 3 @ 1.2 lbs)	3.6 lbs.	3.7 lbs.	Final - 11/13/81	See note #5	-0-	+ 55,000
38.	PA	Beaver Valley Air Basin		0.6 lb.	3.6 lb. 24hr/0exc. 3.0 lb. 24hr/2exc. 2.7 lb. 30 day average		Final - 12/16/81	See note #2	-0-	+ 27,000
39.	PA	Cheswick Power Plant	565 MW	0.6 lbs.	2.8 lbs.	3.5 lbs.	Final - 10/21/81		- 9,000	+ 50,000
40.	DC	Areawide		1.0%	1.0%	1.0%	Final - 1/30/81	See note #6	-0-	+ 12,000
41.	MD	C.P.Crane Power Plant	400 MW	1.0% oil	2.3% coal	1.0% oil	Final - 9/4/81	Units 1&2 - Oil to Coal Conversion	+ 14,000	+ 14,000
42.	MD	Whitehall Paperboard Co.	45x10^6 Btu/hr.	1.0%	2.0%	1.0%	" " "		+ 300	+ 300
43.	WV	Harrison/Mitchell SO_2					Final - 9/25/81	Time extension to submit SO_2 Plan	-0-	-0-
Region IV										
44.	KY	Green River Power Plant	340 MW	3.5 lbs.	3.5 lbs.	3.5 lbs.	Final - 6/15/81	Bubble of various plant sources	-0-	-0-
45.	FL	Gannon Power Plant	1270 MW	2.4 lbs.	2.4 lbs.	2.4 lbs.	Prop. - 9/8/81	Oil/Coal Conver. w/emissions bubble	-0-	-0
46.	AL	Widows Creek	1970 MW	1.2 lbs.	1.2 lbs.	1.2 lbs.	Final - 11/6/81	stack height credit increase w/o limit change	-0-	0

% = percent sulfur in fuel
lbs = lbs/10^6Btu

No.	State	Area/Facility	Size	Old Max.	New Max.	Actual	Status of Action	Comments	SO_2 Impact (tons/year) Actual	SO_2 Impact (tons/year) *Paper Change
Region IV(contin.)										
47.	AL	Colbert Power Plant	1396 MW	4.0 lbs.	4.0 lbs	4.0 lbs.	Final - 11/6/81	Granted 18 mos. to develop a sec. standard SO_2 Plan	-0-	-0-
48.	TN	Kingston Power Plant	1700 MW	1.2 lbs.	2.8 lbs.	2.8 lbs.	Final - 12/15/81		-0-	+110,000
Region V										
49.	IN	Clifty Creek Power Plant	1303 MW	1.2 lbs.	7.52 lbs.	5.9 lbs	State Application	Subject to 126 Petition	+ 69,000	+270,000
50.	IN	Tanner's Creek Power Plant	1100 MW	1.2 lbs.	8.3 lbs	5.0 lbs.	State Application	Bubble increase one large unit decrease 3 units	-0-	0
51.	IL	Peoria/Tazwell	200x10^6	1.2 lbs.	5.5 lbs.	5.5 lbs.	State Application	Three Indus. boilers	-0-	+ 11,800
52.	OH	Pike/Wayne Co. (Orville Power Plant)	1214x10^6 Btu/hr.	7.0 lbs	7.0 lbs.	5.8 lbs.	Prop. - 1/22/81	Sec. Standard Change See note 7	-0-	-0-
53.	OH	Statewide SO_2 Plan	-	source specific actions for 70 counties			Final - 1/27/81	Approval of existing state emission limits	-0-	1,500
54.	OH	Statewide SO_2 Plan	-	source specific actions for 20 counties			Prop. - 1/27/81	Approval of existing state emission limits	-0-	0
55.	OH	Naval Weapons Center	177x10^6 Btu/hr.	1.06 lbs	3.65 lbs.	3.65 lbs.	Final - 5/26/81	Relaxation to actual emissions	-0-	+ 900
56.	OH	Wright Paterson Air Force Base	1252x10^6 Btu/hr.	.4-.9 lbs. (See note 8)	2.04 lbs.	1.41 lbs.	Final - 3/19/81	Relaxation with op. permit restrictions	300	+ 1,000
57.	OH	Goodrich Co.	452x10^6 Btu/hr.	1.7 lbs. 2.1 lbs.	0.3 lbs. 5.2 lbs.	0.5 lbs. 7.0 lbs.	Final - 3/19/81	Bubble	1,500	0

% - percent of sulfur in fuel
lbs - lbs/10^6Btu

No.	State	Area/Facility	Size	Old Max.	New Max.	Actual	Status of Action	Comments	SO$_2$ Impact (tons/year) Actual	SO$_2$ Impact (tons/year) *Paper Change
Region V (contin.)										
58.	OH	Koppers Interlake	400x10^6 Btu/hr.	68.5 lb./hr. 4.0 lb/ton	30 lb./hr. 3.38 lb/ton	-	Final - 4/14/81	Bubble. See Note	-0-	200
59.	OH	Conesville Power Plant	719 MW	5.66 lbs.	5.66 lbs. (See Note 10)	8.21 lbs.	Final - 4/29/81	Extended compliance date	-0-	0
60.	OH	Acme Power Plant	4215x10^6	3.0 lbs.	1.2 lbs.	1.03 lbs.	Final - 5/4/81	Bubble w/some load load factor change	600	26,000
		Waterstreet Power Plant	660x10^6	1.06 lbs.	1.0 lbs.	1.06 lbs.			200	200
		Bayshore Power Plant	5537x10^6 (Btu/hr.)	1.2 lbs	1.94 lbs.	1.2 lbs.			* 13,900	* 17,900
61.	OH	Lucas County	-	no change in emission limits			Prop. - 5/4/81	Disapproved state limits	-0-	-0
62.	OH	Harshaw Chemical Co.	115x10^6 Btu/hr.	0.5 lbs.	1.0 lbs.	.97 lbs.	Final - 6/12/81	Relaxation	-0-	* 50
63.	OH	CEI Power Plant	-	-	-	-	Final - 7/22/81	See Note 11	-0-	-0
		Avon Lake	1670 MW	4.1 lbs.	4.1 lbs.	4.39 lbs.				
		East Lake	1372 MW	5.64 lbs.	5.64 lbs.	5.12 lbs.				
64.	OH	CEI Power Plant	-	-	-	—	Final - 12/23/81	Withdrawal of fluid modeling requirement	-0-	0
65.	OH	Toledo Refinery	970x10^6 Btu/hr.	.81 lbs	1.29 lbs.	.4 lbs.-	Final - 8/26/81	Relaxation	2,100	1,000
		Coulton Chemical	550 tons per day	1.1 lbs.	6.5 lbs.	6.5 lbs	" " "	"	-0-	550
66.	OH	Portsmouth Diffusion Plant	432x10^6 Btu/hr.	7.0 lbs.	6.16lbs.	6.16 lbs.	Final - 10/6/81	Relaxation	-0-	1,600
67.	OH	Six Counties(7 plants)								
		-Poston	2294x10^6 Btu/hr.	3.72 lbs.	7.9 lbs.	6.2 lbs.	Prop. - 11/13/81	Relaxation	* 15,000	* 42,000
		-Tait	4980x10^6 Btu/hr.	1.25 lbs.	1.8 lbs.	.94 lbs.	"	"	* 5,600	* 1,600

% - percent of sulfur in fuel
lbs - lbs/10^6Btu)

No.	State	Area/Facility	Size	Old Max.	New Max.	Actual	Status of Action	Comments	SO₂ Impact (tons/year) Actual	SO₂ Impact (tons/year) *Paper Change
Region V (contin.)										
		-Hutchings	4860x10^6 Btu/hr.	1.2 lbs.	1.6 lbs.	0.94 lbs.	Prop.- 11/13/81	Relaxation	+ 8,200	+ 7,500
		-Union Carbide		720 lb/tn	720 lb/tn	720 lb/tn			-0-	- 350
		-Dupont Co.		21 lb/ton	27 lb/ton	27 lb/ton	"	"	-0-	+ 650
		-Southwood/Piedmont		7 lbs	7 lbs	7 lbs.	"	"	-0-	0
68.	IN	Jefferson County		1.2 lbs.	1.2 lbs.		Final - 1/27/81	Disapproved Indiana 6 lb. limit	-0-	0-
69.	IN	Gallagher	600 MW	6.0 lbs.	6.0 lbs.	6.0 lbs.	Prop. - 7/30/81	126 Petition	-0-	0
70.	IN	Vigo Co. Wabash Power Plant	7000x10^6 Btu/hr	1.2 lbs.	4.04 lbs.	3.9 lbs.	Prop. - 9/1/81	Relaxation	+ 7,300	+ 87,000
71.	MI	S.D. Warren Power Plant	754x10^6 Btu/hr.	1.5%	2.8%	1.5%	Final - 1/27/81	Relaxation	+ 6,500	+ 6,500
72.	MI	B.C. Cobb Power Plant	510 MW	1.0%	2.5%	3.35%	Final - 5/1/81	Relaxation	- 30,000	+125,000
73.	MI	Union Camp	300x10^6 Btu/hr.	1.5%	4.0%	2.7% (yr) 4.0% (da)	Final - 5/14/81	Relaxation	-0-	+ 2,000
74.	MI	Advance Power Plant	586x10^6 Btu/hr	1.5%	2.0%	2.0%	Final - 7/2/81	Relaxation	-0-	+ 2,000
75.	MI	Dow Chemical Company	4648x10^6	1.0%	1.0%	1.0%	Prop. -12/28/81	ISP action affecting SO_2 compliance schedule	-0-	0
76.	MN	Statewide-Part D	-	3.0 lbs.	1.1 to 2.0 lbs.		Final - 4/8/81	Three boilers affected	- 1,500	- 1,500
77.	IL	Kincaid Power Plant	1319 MW	6.0 lbs.	8.61 lbs.	7.54 lbs.	Final -10/26/81	See Note 12	-0-	+140,000

% = percent of sulfur in fuel
lbs = lbs/10^6Btu

No.	State	Area/Facility	Size	Old Max.	New Max.	Actual	Status of Action	Comments	SO_2 Impact (tons/year) Actual	SO_2 Impact (tons/year) Paper Change
Region VI:										
78.	NM	Four Corners Power Plant	2269 MW	12072 lb/hr	17900 lb/hr	21700 lb/hr	Final - 8/27/81	Relaxation	20,000	+ 26,000
79.	NM	Chino Mines Smelter		3500 lb/hr	7000 lb/hr	14470 lb/hr	Prop. - 12/17/81	Relaxation w/offsetting change from 60 to 92%	- 20,000	+ 9,200
Region VII:		NO ACTION								
Region VIII:										
80.	CO	Statewide oilshale production	-	na	na	na	Prop. - 7/27/81	New shale-oil no exist'g limit changes	-0-	0
Region IX:										
81.	AZ	Seven Smelters	-				Prop.- 11/30/81	Multi-point Rollback		
		-Ajo Smelter		6250 lb/hr	8897 lb/hr	7500 lb/hr	"	"	+ 6,000	+ 11,600
		-Douglas		12940 "	15675 "	55000 "	"	"	-172,000	+ 12,000
		-Inspiration		3180	3163	4333	"	"	- 5,100	- 100
		-Magma		19850	18270	31333	"	"	- 57,000	- 6,900
		-Morenci		14630	10505	24500	"	"	- 61,000	- 18,000
		-Kennecott		3750	7790	5833	"	"	+ 8,600	+ 17,700
		-ASARCO		4810	9521	16500	"		- 25,000	+ 11,500

1981 SO_2 State Implementation Plan Revisions
Chart Notes

1 Estimates of SO_2 impact are offered in terms of tons per year increases and decreases caused by regulation changes alone. Load factors were held constant if not specifically affected by the change in the SIP revision. The differences between old and new maximum limits on sulfur content are identified as "paper change." The differences between the new maximum limit and the actual sulfur content at the time of the SIP revision is identified as the "actual" impact. It should be noted that both numbers exceed SO_2 emissions where no change in actual fuel occurs.

2 Several sources with differing fuels. New maximum limits adopted at the levels actually in use, therefore no actual increases occurring.

3 The variabilities of sulfur content of Anthracite coal have been addressed in this action to lower its stated maximum sulfur content. This insures the old 1.0% limit will be attained but offers no estimable decrease in actual emissions.

4 This action approved additional stack height credit. No change in emission limits were approved. If change to limit occurs the hypothetical change in actual emissions of SO_2 would be +13,700 tons/year.

5 This action extends a NSPS waiver for 24 months during which time there will be a paper increase in emissions of 55,000 tons/year (difference between old 3.2 lbs. limit and the waiver to a 3.6 lbs. limit). No change in actual fuel supply is expected, therefore, no actual decrease in emissions cited.

6 District of Columbia SIP included a change in SO_2 limits from 1.0% to 0.5%. On the bases of subsequent information, no SO_2 emission step down is required to meet standards. The deletion of the limit change represents a loss of emission reductions of 12,000 tons/year, but no change in actual emissions.

7 No change of limits are approved in this action, and no indication that actual fuel in use will be changed because of it. Therefore, no "actual" impact is stated. The difference between 5.8 lbs. and 7.0 lbs. is equivalent to 1400 tons of SO_2 per year.

8 Multiple boilers with varying emission levels from 0.4 to 0.9 lbs. /10^6 Btu input.

9 This is a bubble involving an industrial boiler ($400x10^6$ Btu) and a coke oven battery.

10 The extended compliance date prevents citation of the actual reduction to occur. When in compliance, actual emissions will decrease by 71,000 tons/year.

11 The action did not change the allowable emission limits for either Avon Lake or East Lake power plants; new compliance schedules were approved. When Avon Lake comes into compliance there will be an actual decrease in emissions by 5900 tons/year. If East Lake changes actual fuel in use to the previous limit, then emissions would increase by 15,700 tons/year.

12 No change of fuel in use planned. Kincaid's long term purchasing commitments provide fuel at current SO_2 levels. If fuel use changes, a 64,000 ton/year increase would occur.

13 New Jersey SO_2 Bubble - (Proposed Feb. 3, 1982) permits the offset of comparable emissions up to the existing SO_2 emission limits. No changes in the limits are being approved. A two year variance for oil to coal conversions will contribute less than 10,000 tons/year statewide. No actual increases will be allowed and each action will be reviewed in subsequent revisions.

Fact Sheet of 1982 SO_2 Federal Register Summary

Number of State revisions acted on - 54
Of these, specific power plant emission limit revisions - 11

Total "actual" SO_2 changes - +14,000 T/yr

Total "paper" SO_2 changes - +475,000 T/yr

Regional Summary of SO_2 Changes

Region	Actual (T/yr)	Paper (T/yr)
I	+ 536[1]	+ 11,337
II	+ 5,000	+ 66,000
III	- 4,272	- 13,143
IV	-16,809	+199,468
V	+29,850	+210,892
VI	- 440	0
VII	NA	NA
VIII	NA	NA
IX	NA	NA
X	NA	NA

NA - not applicable

[1] Note - Four revisions in listing where actual fuel quality was unknown, therefore, unable to calculate "actual" increases.

SUMMARY OF STATE IMPLEMENTATION PLAN
FOR SO_2 - CALENDAR YEAR 1982

Prepared by Lanny Deal

Technical Guidance Section
Control Programs Operations Branch
Control Programs Development Division
Environmental Protection Agency
Research Triangle Park, NC 27711

January 1983

Region I

SO$_2$ State Implementation Plan Revisions

No.	State	Area/Facility	Size	SO$_2$ Emission Limits			Status of Action	Comments	SO$_2$ Change (tons/year)	
				Old Max	New Max	Actual Fuel			*Actual	*Paper
1	CT	Sikorsky Aircraft	192MM Btu/hr	0.5%	1.0%	NA	F-11/12/82	Boiler restrictions imposed	NA	+ 80
2	ME	Metro Portland AQCR	all sources	1.5%	2.5%	2.5%	F-1/8/82	Revision submitted in 1977	0	+ 10,000
3	MA	Holyoke Gas & Electric	229MM Btu/hr	1.0%	2.2%	residual oil	F-2/10/82	Capacity reduced from 765MM Btu/hr	+ 536	- 1,326
4	MA	ATF Davidson	100MM Btu/hr	0.55#	1.21#	NA	F-4/13/82	30-month variance	NA	+ 410
5	MA	Northeast Petroleum	45MM Btu/hr	0.5%	1.0%	0.5%	F-11/23/82	Over 50% reduction in oil use	0	0
6	MA	Polaroid	252MM Btu/hr	0.5%	2.2%	NA	F-12/1/82	Temporary variance	NA	+ 560
7	RI	Kenyon Piece Dye Works	104MM Btu/hr	1.0%	2.2%	NA	F-11/10/82 P-7/29/82	Temporary 1 yr. variance - boiler restrictions	NA	- 87
8	VT	Statewide	all sources	1.0%	2.0%	NA	F-1/8/82	Revision submitted in 1975 - never implemented by VT - increase based on 1980 fuel use	0	+ 1,700

*Actual SO$_2$ Impact: Emission changes from the actual source emission levels
*Regulatory Change: Absolute emission differences between old and new limits
NA - Not available

Region II

SO_2 State Implementation Plan Revisions

No.	State	Area/Facility	Size	SO_2 Emission Limits Old Max	New Max	Actual Fuel	Status of Action	Comments	SO_2 Change (tons/year) *Actual	*Paper
9	NJ	Statewide					P-2/3/82	Generic bubble regulation (1)	0	0
10	NY	Ravenswood #3 power plant	1000MW	0.3%	1.5%	1.5%			0	+25,000[2]
		Arthur Kill power plant Units 2 and 3	900MW	0.3%	1.5%	1.5%	F-2/22/82	Extension of variance allowing use of 1.5% oil instead of 0.3% SIP limit	0	+22,000[2]
11	NY	Rotterdam power plant	1000 x 10^6 $\frac{Btu}{hr}$	2.0%	2.8%	2.0%	F-3/5/82		+ 2,000	+ 2,000
12	NY	King's Park Psychiatric Center Facility	300 x 10^6 $\frac{Btu}{hr}$	0.6%	2.2%	0.6%	F-8/11/82 P-4/13/82		+ 3,000	+ 3,000
13	VI	Martin Marietta	1200 x 10^6 $\frac{Btu}{hr}$	0.5%	1.5%	1.5%	P-11/22/82	Extension of variance allowing 1.5% oil instead of 0.5% oil	0	+14,000[3]
		Hess Oil	700 x 10^6 $\frac{Btu}{hr}$	0.5%	1.5%	1.5%			0	

*Actual SO_2 Impact: Emission changes from the actual source emission levels

*Regulatory Change: Absolute emission differences between old and new limits

[1] Temporary increase allowed for up to 2 years with voluntary conversions for coal.

[2] Increases calculated using actual capacity utilization data supplied by the source. 1981 summary used assumed 65% factor.

[3] For Martin Marietta and Hess Oil combined - figure supplied by the sources themselves. 1981 summary used assumed capacity factors.

Region III

SO_2 State Implementation Plan Revisions

No.	State	Area/Facility	Size	SO_2 Emission Limits			Status of Action	Comments	SO_2 Change (tons/year)	
				Old Max	New Max	Actual Fuel			*Actual	*Paper
14	PA	Homer City power plant	1850MW		-		N-1/15/82	Correction to FR notice of 11/13/80	0	0
15	PA	Philadelphia	sources >50 MM Btu/hr	0.1#	0.4#	anthracite coal	F-4/16/82	Allows use of anthracite coal	0	+ 115
16	PA	U.S. Steel - Homestead Works		16,190 T/yr	3342 T/yr	-	P-8/26/82	Bubble -- no net increase in emissions - Level II 8i sources involved	- 4,272	- 12,848
17	PA	Scott Paper	---				P-9/29/82	Bubbles - Level I - no net increase in emissions	0	- 150
		Arbogast & Bastian	75.6 MM Btu						0	- 260
		J.H. Thompson, Inc.	---						0	0
18	PA	Upper Beaver Valley (most of Lawrence Co.)		2.0%	2.0%		P-12/2/82	Deletion of 1.5% limit due to become effective 8/1/82	0	NA

*Actual SO_2 Impact: Emission changes from the actual source emission levels
*Regulatory Change: Absolute emission differences between old and new limits

Region III (continued)

SO_2 State Implementation Plan Revisions

No.	State	Area/Facility	Size	SO_2 Emission Limits			Status of Action	Comments	SO_2 Change (tons/year)	
				Old Max	New Max	Actual Fuel			*Actual	*Paper
19	WV	Harrison power plant Mitchell power plant	1920MW 1460MW				N-9/27/82	Extension to State for submittal of secondary SO_2 strategy	0	0
20	MD	Metro Baltimore AQRC (Bethlehem Steel-coke ovens)	integrated mill	none	1% exist .3% new	coke oven gas	F-6/18/82	Adoption of first enforceable limits for coke ovens	maintains status quo for existing ovens	

*Actual SO_2 Impact: Emission changes from the actual source emission levels
*Regulatory Change: Absolute emission differences between old and new limits

Region IV

SO_2 State Implementation Plan Revisions

No.	State	Area/Facility	Size	SO_2 Emission Limits			Status of Action	Comments	SO_2 Change (tons/year)	
				Old Max	New Max	Actual Fuel			*Actual	*Paper
21	AL	Widows Creek power plant	1978MW	1.2#	1.2#	1.2#	F-2/22/82	Part D plan-revised stack height credit	0	0
22	FL	Turkey Point/ Port Everglades power plants	1519MW 1254MW	---	---	---	P-5/12/82	Disapproval of variance request	0	0
23	FL	TECO Gannon power plant	1270MW	2.4#	2.4#	2.4#	F-6/29/82	Oil/coal conversion with emissions bubble	0	0
24	FL	Sanford power plant	1028MW				F-8/16/82	Delays test burn of oil/coal slurry	0	0
25	NC	Statewide	all sources	2.3#	2.3#		F-12/7/82 P-6/28/82	Deletion of step-down to 1.6# for all but 24 sources	0	+200,000[4]
26	TN	Copperhill Smelter	Revision affects several processes including acid plant, iron roaster scrubbers, non-process fuel burning equipment, and organic chemical plants				F-5/27/82 P-1/5/82		-16,809**	- 532

*Actual SO_2 Impact: Emission changes from the actual source emission levels

*Regulatory Change: Absolute emission differences between old and new limits

**Actual 1981 emissions of 5,067 T/yr due to shutdown of pellet plant. Emission credits of 16,000 T/yr banked.

[4] If stepdown to 1.6# had occurred, 200,000 T/yr less SO_2 would be emitted.

Region V

SO_2 State Implementation Plan Revisions

No.	State	Area/Facility	Size	SO_2 Emission Limits			Status of Action	Comments	SO_2 Change (tons/year)	
				Old Max	New Max	Actual Fuel			*Actual	*Paper
27	IL	Kincaid power plant	1319MW	105,162 #/hr			F-3/2/82	Denial of petition for reconsideration	0	0
28	IL	Celotex	<250MM Btu/hr	1.8#	5.5#	5.0#			0	+4,000
		Sherex	<250MM Btu/hr	1.8#	5.5#	5.0#	F-5/24/82 P-3/5/82	SO_2 revision - essentially reflects status quo emissions	0	+4,000
		Bemis	<250MM Btu/hr	1.8#	5.5#	5.0#			0	+4,000
29	IL	Statewide					F-9/29/82	Deletion by State of SO_2 ambient standard not required by EPA	0	0
30	IN	Gallagher power plant	600MW	6.0#	--	6.0#	F-2/16/82	EPA denial of KY's §126 petition against Gallagher power plant	0	0

*Actual SO_2 Impact: Emission changes from the actual source emission levels
*Regulatory Change: Absolute emission differences between old and new limits

Region V (continued)

SO_2 State Implementation Plan Revisions

No.	State	Area/Facility	Size	SO_2 Emission Limits: Old Max	New Max	Actual Fuel	Status of Action	Comments	SO_2 Change (tons/year): *Actual	*Paper
31	IN	LaPort County								
		Michigan City power plant	641MW	1.2#	6.0#	4.8#			+32,000	+128,000
		State Prison	159MM Btu/hr	3.2#	4.45#	NA			0 (anti-cipated)	+ 870
		Westville Correctional Center	150MM Btu/hr	3.2#	6.0#	NA			0 (anti-cipated)	+ 1,800
		Lake County								
		Mitchell power plant	529MW	1.2#	1.2#	1.2#	F-3/12/82	Part D plan - conditionally approved	0	0
		Marion County								
		Stout power plant	847MW	1.2#	5.3#	4.6#			+20,000	+104,582
		Reilly Tart Chemical	Process	1.2-3.0#	1.2-3.0#	---			- 150	- 150
		Industrial sources	250-1000MM Btu/hr	1.2#	1.4-4.0#	1.4-4.0#			- 6,800	+ 13,000
		IDL Perry K	50MW	1.2#	5.3#	5.0#			0	+ 3[illegible],000
32	IN	Vigo County								
		Wabash power plant	962MW	1.2#	4.04#	4.0#	F-5/13/82	Part D SO_2 SIP-stack height increase only	0	+ 84,000

*Actual SO_2 Impact: Emission changes from the actual source emission levels
*Regulatory Change: Absolute emission differences between old and new limits

Region V (continued)

SO_2 State Implementation Plan Revisions

No.	State	Area/Facility	Size	SO_2 Emission Limits			Status of Action	Comments	SO_2 Change (tons/year)	
				Old Max	New Max	Actual Fuel			*Actual	*Paper
		Vigo Co. (cont)								
		Anaconda Aluminum	265MM Btu/hr	2.7%	0.5-1.5%	0.5-1.5%			0	- 1,500
		J.I. Case	100MM Btu/hr	3.7%	4.7%	4.7%			0	+ 450
		Weston Paper	135MM Btu/hr	2.49%	4.1%	4.0%			0	+ 2,400
		I.S.U.	468MM Btu/hr	2.23%	5.08%	5.0%			0	+ 5,800
33	IN	Floyd County Gallagher power plant	600MW	no limit	6.0%	5.8%	P-5/26/82	Approval of 6.0% limit as adequate for primary standard only-disapproval for secondary standards	0	(5)
34	IN	Floyd County Gallagher power plant	600MW				N-7/6/82	Extension of comment period on May 26, 1982 proposal	0	0
35	IN	Mitchell power plant	529MW				F-9/7/82	Rescinding of GEP stack height credit, no emission limit changes	0	0
36	MI	Dow Chemical	4648MM Btu/hr	1.0%	1.0%	3.5%	F-3/24/82	Action affecting SO_2 compliance schedule only	- 22,000	0

*Actual SO_2 Impact: Emission changes from the actual source emission levels
*Regulatory Change: Absolute emission differences between old and new limits
(5)No previous limit in effect.

Region V (continued)

SO$_2$ State Implementation Plan Revisions

No.	State	Area/Facility	Size	SO$_2$ Emission Limits			Status of Action	Comments	SO$_2$ Change (tons/year)	
				Old Max	New Max	Actual Fuel			*Actual	*Paper
37	MN	Statewide		4.0#	4.0#	--	F-6/21/82 P-3/23/82	Revised format only	0	0
38	OH	Statewide					N-3/5/82	Indefinite extension by EPA of interim enforcement policy	0	0
39	OH	Statewide					F-4/13/82	Announces effective date of 1/27/81 FR action - approval of multiple counties in Ohio of State submittal SO$_2$ limits - no action on 30-day averaging provision	0	0
40	OH	Summit County (PPG)					P-4/13/82	Request for reconsideration of prior EPA disapproval of relaxation for PPG Barberton	0	0
41	OH	Seven counties	all sources	2.0-5.0# range	2.0-5.0# range	2.0-5.0# range	F-4/20/82	Approval of SO$_2$ regs for all or portions of Sandusky, Trumbull, Vinton, Hamilton, Lake, and Montgomery Counties	0	- 5,700[6]

*Actual SO$_2$ Impact: Emission changes from the actual source emission levels
*Regulatory Change: Absolute emission differences between old and new limits
[6] Overall impact of revision for all sources involved.

Region V (continued)

SO_2 State Implementation Plan Revisions

No.	State	Area/Facility	Size	SO_2 Emission Limits			Status of Action	Comments	SO_2 Change (tons/year)	
				Old Max	New Max	Actual Fuel			*Actual	*Paper
42	OH	Six counties					F-5/13/82	Approval of SO_2 regs for all or portions of Athens, Hamilton, Montgomery, Pike, Seneca, and Wayne Counties		
		Poston power plant	226MW	3.7#	7.9#	6.9#			+ 6,800	+ 42,000
		Hutchings power plant	414MW	1.2#	1.6#	1.6#			0	+ 7,000
		Tait power plant	448MW	1.25#	0.5-1.8#	0.5-1.8#			0	- 660[7]
43	OH	Lucas County					F-6/30/82 P-1/13/82	Approval of SO_2 regs for Lucas County		
		Bayshore power plant	639MW	1.94#	1.94#	1.9#			0	0[8]
		Acme power plant	307MW	1.0-1.2#	1.0-1.2#	1.0-1.2#			0	0[8]
44	OH	Summit County (PPG-Barberton)					P-7/7/82	Proposal granting petition for reconsideration for PPG - no limitation changes involved	0	0
45	OH	Gavin power plant	2600MW	9.5#	7.41#	7.0# (avg) 8.8# (24-hr max)	F-7/26/82 P-2/23/82	Due to court remand, limit change to protect secondary SO_2 standard	0 (avg) -145,000 (max)	-220,000

*Actual SO_2 Impact: Emission changes from the actual source emission levels
*Regulatory Change: Absolute emission differences between old and new limits
[7] Additional operting constraints imposed.
[8] State adoption of Federally promulgated emission limits.

SO_2 State Implementation Plan Revisions

No.	State	Area/Facility	Size	SO_2 Emission Limits			Status of Action	Comments	SO_2 Change (tons/year)	
				Old Max	New Max	Actual Fuel			*Actual	*Paper
47	NM	Chino Mines Hurley, NM smelter		7100 #/hr 24-hr avg.	7000 #/hr annual avg.	14,470 #/hr	F-5/5/82	Approval of revised stack limits using multipoint rollback model	- 32,700	- 440
48	NM	Chino Mines Hurley, NM smelter		7000 #/hr annual avg.	7100 #/hr 24-hr avg	14,470 #/hr	F-5/20/82	Approval of non-ferrous smelter order - 4 days only compliance	+ 32,260	+ 440
49	NM	Chino Mines Hurley, NM smelter					F-12/7/82	Tightens requirement of data capture for continuous emission monitors - no change in emission limits	0	0

*Actual SO_2 Impact: Emission changes from the actual source emission levels
*Regulatory Change: Absolute emission differences between old and new limits

Region VI (continued)

SO_2 State Implementation Plan Revisions

No.	State	Area/Facility	Size	SO_2 Emission Limits			Status of Action	Comments	SO_2 Change (tons/year)	
				Old Max	New Max	Actual Fuel			*Actual	*Paper
50	LA	New sulfur recovery plants-Statewide		1300 ppmb	1300 ppmb	--	F-2/16/82	Incorporates existing State reg into the Federal SIP - effective 1977	0	0
51	LA	Statewide - general		2000 ppm	2000 ppm	--	F-5/14/82	Regulation modified to enforce limit as in stack measurement as opposed to an ambient concentration	0	0
52	LA	Statewide - Regs for new H_2SO_4 plants		6.5# SO_2/T acid	4.0 # SO_2/ton acid	--	F-2/16/82	Same as NSPS	---	---
53	LA	H_2SO_4 plants not covered by NSPS		2000 ppm	2000 ppm	--	F-4/14/82	Allows 4-hour exemption from emission limit	0	0
54	LA	H_2SO_4 plants not covered by NSPS		2000 ppm	2000 ppm	--	F-4/14/82	Allows 4-hour exemption for infrequent on-line adjustments for upset conditions	0	0

*Actual SO_2 Impact: Emission changes from the actual source emission levels
*Regulatory Change: Absolute emission differences between old and new limits

DEGREE OF CONTROL OF SO_2 EMISSIONS SINCE 1950 AND 1970

Question: It is my understanding that progress in SO_2 emission control is really pretty slight. If I recall correctly, we went from about 11 million tons annually in 1950 to about 26 million tons in 1970 and we have progressed to the extent of two million tons. We are now at 24 million tons, which is not what I would call very rapid progress in control of sulfur dioxide emissions. Please comment.

Answer: In addition to Mrs. Bennett's oral response, the following information is submitted for clarification to the Chairman and the Committee.

Total SO_2 emissions in 1950 have been determined to be 19.6 million metric tons per year. Of this, 11.9 million metric tons/year was from the combustion of fossil fuel.

The total SO_2 emissions from 1960 indicate 19.2 million metric tons/year and by 1970 the emissions had increased to 27.9 million metric tons/year. Total SO_2 emissions peaked in 1973 at 28.4 million metric tons/year. After impact of the CAA-1970 even with a 60% increase in electric generating capacity from 1970 to 1980, total SO_2 emissions have decreased from the 1973 level 4.7 million metric tons/year (equal to over 5 million short tons/year) by 1980 with continued decreases probable.

Please note summary tables of SO_2 emissions attached for your use.

NATIONAL ESTIMATES OF SULFUR OXIDE EMISSIONS

TERAGRAMS/YEAR

SOURCE CATEGORY	1970	1972	1973	1974	1975	1976	1977	1978	1979	1980
Transportation										
Highway Vehicles	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4
Aircraft	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Railroads	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Vessels	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3
Other Off-highway Vehicles	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Transportation Total	0.6	0.6	0.6	0.6	0.6	0.8	0.8	0.8	0.9	0.9
Stationary Source Fuel Combustion										
Electric Utilities	15.6	16.7	17.0	16.8	16.9	17.4	17.5	16.1	16.4	15.9
Industrial	3.9	3.2	3.0	2.8	2.5	2.6	2.6	2.6	2.5	2.3
Commercial-Institutional	0.9	0.9	0.9	0.8	0.7	0.8	0.8	0.8	0.7	0.6
Residential	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2
Fuel Combustion Total	20.8	20.1	21.2	20.7	20.4	21.1	21.2	19.7	19.8	19.0
Industrial Processes	6.4	6.5	6.5	5.7	4.6	4.5	4.4	4.3	4.6	3.8
Solid Waste Disposal										
Incineration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Open Burning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Solid Waste Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous										
Forest Fires	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Burning	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous Organic Solvent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous Total	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	27.9	27.3	28.4	27.0	25.6	26.4	26.4	24.8	25.3	23.7

1940-1980 SUMMARY OF ESTIMATED EMISSIONS OF SULFUR OXIDES

Teragrams/Year

Source Category	1940	1950	1960	1970	1980
Transportation					
Highway Vehicles	0.0	0.1	0.1	0.3	0.4
Aircraft	0.0	0.0	0.0	0.0	0.0
Railroads	2.7	2.0	0.2	0.1	0.1
Vessels	0.2	0.2	0.1	0.1	0.3
Other off-highway vehicles	0.0	0.0	0.0	0.1	0.1
Transportation Total	2.9	2.3	0.4	0.6	0.9
Stationary Source Fuel Combustion					
Electric Utilities	2.2	4.2	7.4	15.6	15.9
Industrial	4.5	4.4	3.3	3.9	2.3
Commercial-Institutional	1.0	1.6	1.0	0.9	0.6
Residential	2.1	1.7	1.0	0.4	0.2
Fuel Combustion Total	9.8	11.9	12.7	20.8	19.0
Industrial Processes					
Primary metal smelting	3.3	3.5	3.8	4.1	1.8
Pulp mills	0.0	0.0	0.0	0.1	0.1
Chemicals	0.2	0.4	0.4	0.6	0.3
Petroleum refining	0.2	0.3	0.5	0.6	0.7
Iron & steel mills	0.2	0.3	0.3	0.3	0.2
Secondary metals	0.0	0.0	0.0	0.0	0.0
Mineral products	0.3	0.4	0.5	0.6	0.6
Natural gas production	0.0	0.0	0.1	0.1	0.1
Industrial Processes Total	4.2	4.9	5.6	6.4	3.3
Solid Waste Disposal					
Incineration	0.0	0.0	0.0	0.0	0.0
Open burning	0.0	0.0	0.0	0.0	0.0
Solid Waste Total	0.0	0.0	0.0	0.0	0.0
Miscellaneous					
Forest fires	0.0	0.0	0.0	0.0	0.0
Other burning	0.5	0.5	0.5	0.1	0.0
Misc. Organic Solvent	0.0	0.0	0.0	0.0	0.0
Miscellaneous Total	0.5	0.5	0.5	0.1	0.0
Total	17.4	19.6	19.2	27.9	23.7

Note: One teragram equals 10^{12} grams (10^6 metric tons) or approximately 1.1×10^6 short tons. A value of zero indicates emissions of less than 50,000 metric tons.

Questions for the Record Submitted by Senator Stafford

SUPERFUND IMPLEMENTATION

There is a common perception that the Federal unit of government entrusted with implementing the Superfund law is the Environmental Protection Agency. In fact, other agencies are involved including the Department of Health and Human Services, the Department of Justice, the Department of the Interior, and the National Oceanic and Atmospheric Administration. In addition, when releases occur at facilities owned by the Department of Defense, that unit of government is involved.

The Congress not only intended that other units of the Federal government implement aspects of the Superfund law, but that some of them do so independently. In fact, we went so far as to require that a single independent agency be created at the Department of Health and Human Services, specially designated to carry out the Superfund authorities. In my view, the Department should be submitting its own superfund budget request here today as a coequal of EPA. Clearly, however, that is not now the case. Therefore, I would ask you to respond to the following:

Question: Why are the Departments of Health and Human Services and Justice not submitting budget requests independent of EPA?

Answer: Executive Order 12316 Responses to Environmental Damage, requires that the Administrator submit as part of the budget request for EPA a consolidated budget request for the Hazardous Substance Response Trust Fund. The Executive Order directs that the consolidated budget include both EPA's requests and funding under transfer allocation accounts for Federal agencies with ongoing responsibilities under CERCLA. These agencies include both the Departments of Health and Human Services and Justice.

Question: What amounts did each of these agencies request of EPA or OMB for implementing Superfund and for what specific projects or proposals?

Answer: The Department of Justice (DOJ) originally requested $2,644,000 in fiscal year 1984: $2,144,000 for personnel and travel costs to support CERCLA litigation and $500,000 for automated litigation support. DOJ later requested an additional $300,000 for witness expenses.

The Department of Health and Human Services requested $6,415,000 in fiscal year 1984. Its specific proposals are shown below:

FY 1984 Superfund Budget
Department of Health and Human Services
(dollar in thousands)

ACTIVITY	FY 1984 REQUEST	FY 1984 RECOMMENDATION	RATIONALE
Scientific Support			
Consultations	$1,125	$1,125	fully funded
Guidance Manuals	50	0	should be completed in FY 1983
Training	450	0	should be completed in FY 1983
Review Site Tests	300	300	fully funded
Emergency Response			
Field Support	750	480	HHS projection of FY 84 activity higher than EPA budget projection
Investigation of Food Contamination	500	0	site-specific; will be funded on a reimbursable basis
Health Surveys			
Lab Investigation Guidance	375	0	will be adequately funded with FY 82 carryover.
Survey Protocols	1335	0	
Worker Safety and Health			
Training	250	0	should be completed in FY 83
Automated Guidance Manuals	500	0	not necessary for CERCLA implementation

Toxicology			
Software system	200	0	not necessary for CERCLA implementation
Additional data entries	350	0	adequately funded in FY 83
Training Testing	30	0	training on HHS systems inappropriate for CERCLA funding
Toxicology Testing	200	0	funded in FY 83
TOTAL	$6,415	$1,905	

Question: What amounts were approved and are included in the EPA proposal and for what specific projects or proposals? In each case where the request was denied or the proposed funding level reduced, please explain why.

Answer: EPA approved the entire Department of Justice request. Because DOJ has agreed to use EPA's contract mechanism for obtaining witnesses, it will not be necessary to transfer these funds directly to DOJ. The remaining $2,144,000 will be provided through a transfer allocation.

EPA approved funding of $1,905,000 for the Department of Health and Human Services ongoing activities in fiscal year 1984. The above chart also shows all requested activities, the activities that were funded and the rationale for activities which were not funded at the requested level.

Question: What amounts do you propose to make available to the other Federal agencies from Superfund and for what purposes?

Answer: In FY 1984 the Department of Interior (DOI) will receive a transfer allocation of $80,000 to conduct its ongoing responsibilities related to spill and site response. The Coast Guard will receive $3,674,000 through transfer allocation to support its ongoing activities which include maintenance of spill response strike teams, operation of the National Response Center, enforcement, and the development and operation of information systems. In addition, DOI, the Coast Guard and other Federal agencies, including the Federal Emergency Management Agency and the National Oceanic and Atmospheric Administration, will be reimbursed for any site specific activities in which they participate.

Question: At how many sites or in how many cases is the Department of Defense responding to releases of hazardous substances? If you are unable to answer this question, please explain how you propose to assure that the Department of Defense is carrying out its responsibility under the Superfund law. I would request specific information regarding Rocky Mountain Flats, Redstone Arsenal, and Pickatinny Arsenal.

Answer: The Department of Defense has sole responsibility under Superfund for responding to releases from DOD facilities. Executive Order 12316 delegates CERCLA responsibilities to various Federal agencies. DOD is delegated all response authority under sections 104(a) and (b) "with respect to releases from Department of Defense facilities or vessels..."

EPA is prepared, at DOD's request, to provide technical assistance for any specific site response. EPA, however, does not have any oversight or enforcement role regarding releases on DOD facilities. EPA has acted and will continue to act to facilitate DOD response under Superfund.

Although EPA does not have the number of sites to which DOD has responded, DOD has indicated that they would be willing to respond to congressional inquiries. Specific questions on Rocky Mountain Flats, Redstone Arsenal and Pickatinny Arsenal should be addressed to DOD.

Question: What is the status of the development of the regulations required for the purpose of assessing damages to natural resources?

Answer: Executive Order 12316 delegates to the Department of Interior responsibility to prepare regulations for assessing damages for injury to, destruction of, or loss of natural resources resulting from the release of oil or hazardous substance (CERCLA §301(c)).

On January 10, 1983, the Department of Interior published an advanced notice of proposed rulemaking (40 CFR II, 48 Federal Register 1084 et seq.). This Notice was a request for information from State governments, research institutions, nonprofit organizations, individual citizens and other Federal agencies to enable the Department to develop the regulation. The Notice did not include a schedule, beyond the February 15, 1983 close of the comment period.

EPA's fiscal year 1984 budget does include resources (personnel and monetary) for damage assessment.

Question: Is the development of these regulations being paid for through Superfund and, if not, why not? Please provide a written memorandum of law or other comparable analysis justifying the use of general funds for this purpose rather than the dedicated resources of Superfund.

Answer: The Department of Interior requested funding from Superfund to defray the cost of developing a damage assessment regulation. On June 30, 1981, EPA's Office of General Counsel provided the opinion that costs incurred, which include developing the assessment regulations, in implementation Titles II and III of CERCLA, may not be paid from the Trust Fund. The Department of Interior requested a further consideration of this matter. On June 21, 1982, the Associate Administrator for Legal and Enforcement Counsel issued a further explanation. The opinion reiterated the position that, with the exception of the §301(e) study, the costs incurred in implementing Title III are not compensable from the Fund. Copies of the above referenced memoranda are attached.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUN 30 1981

OFFICE OF
GENERAL COUNSEL

MEMORANDUM

SUBJECT: Costs Incurred In Implementing
Titles II and III of CERCLA

FROM: Karen Clark, Attorney-Advisor K. Clark
Grants, Contracts & General
Administration Division (A-134)

THRU: Gerald H. Yamada GHYamada
Acting Associate General Counsel
Grants, Contracts & General
Administration Division (A-134)

TO: Dave Ryan
Chief of Hazardous Waste and
Superfund Branch (PM-228)

This responds to your request for our opinion as to whether the costs incurred in implementing Titles II and III of CERCLA may be charged to the Trust Fund. It is our opinion that, with the exception of the study described in §301(e), they cannot.

Section 111(a) provides that

> The President shall not pay for any administrative costs or expenses out of the Fund unless such costs and expenses are reasonably necessary for and incidental to the implementation of this title. (emphasis added).

The language is clear on its face; we must assume that Congress intended the provision to read "this title" and not "this Act."

Other than §301(e), there is no provision in either Title II or III that authorizes the payment of the costs of implementing those titles from the Trust Fund. Absent such authority, those costs would be paid from agency operating funds.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

OFFICE OF
LEGAL AND ENFORCEMENT COUNSEL

21 JUN 1982

MEMORANDUM

SUBJECT: Use of Superfund to Pay Costs Incurred by the Department of the Interior in Developing Damage Assessment Regulations Pursuant to §301(c)

FROM: Robert M. Perry Robt M. Perry
Associate Administrator for Legal and Enforcement Counsel and General Counsel (A-130)

TO: William N. Hedeman, Jr.
Director, Office of Emergency and Remedial Response (WH-548)

Under §301(c)(1) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), regulations are to be promulgated for the assessment of damages for injury to, destruction of or loss of natural resources, resulting from a release of oil or a hazardous substance. The President has delegated responsibility for these regulations to the Secretary of the Department of the Interior (DOI). E.O. 12316, §8(c) (3). DOI has requested that monies from the Hazardous Substance Response Trust Fund (the Fund or Superfund) be made available to defray the costs of developing the regulations. This responds to your request for our opinion as to whether these costs can be paid from the Fund.

In an opinion dated June 30, 1981, we opined that, with the exception of §301(e), there is no authority in CERCLA to pay the costs associated with implementation of Title III. The DOI regulations are a Title III requirement. It remains our opinion that such costs are not eligible for compensation from the Fund.

We have carefully considered the arguments raised by the DOI. In an analysis of CERCLA, 1/ the Associate Solicitor, Conservation and Wildlife, noted, in relevant part, that:

> ...certain uses of the Fund for research were allowed by the Senate Committee but rejected

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1/ Memorandum to the Acting Director, Fish and Wildlife Service, July 24, 1981.

> by the Senate "compromise" bill. Sec. 6(a)(1) of S.1480 2/.... Research activities thus omitted from the "compromise" bill could be construed as not eligible for funding from Superfund, but other costs of developing regulations appear fundable from the Superfund under the authority of the last sentence of CERCLA Section 111(a). (Emphasis added).

DOI recognizes that "research" relating to the development of damage assessment regulations is not eligible for payment from the Fund, but maintains that "other costs" -- presumably administrative and legal expenses incurred in drafting the regulation -- can be paid under the authority of §111(a). Section 111(a) provides, in relevant part, that:

> The President shall not pay for any administrative costs or expenses out of the fund unless such costs and expenses are reasonably necessary for and incidental to the implementation of this title. (Emphasis added).

DOI's position is in direct conflict with the statutory provisions of CERCLA. Section 111(a) is clear on its face. The administrative costs referred to in this section are those necessary and incidental to the implementation of Title I -- not CERCLA as a whole.3/ In addition, Congress specifically limited CERCLA funding for administrative expenses to one of the Title III studies. Section 301 (e)(5) provides that "[t]he Fund shall pay administrative expenses incurred for the [§301(e)] study...."

It therefore remains our view that, with the exception of the §301(e) study, the costs incurred in implementing Title III are not compensable from the Fund.

2/ Section 6(a)(1)(I) authorized funds for "the costs of research related to the purposes of this Act and section 311 of the Clean Water Act...(to) include, but not be limited to (i) development and refinement of protocols to determine the type and extent of short and long term injury or loss of natural resources, (ii) development and refinement of the best available procedures to identify the value of injured or lost natural resources, (iii) laboratory or field research on living and nonliving resources that will provide additional scientific basis for damage assessments..."

3/ We have reviewed the issue as to whether "title" could be interpreted to mean "Act"; we found no case law squarely on point. However, it is our view that within the context of this statute, "title" can only refer to the individual titles, not CERCLA as a whole.

Question: Please provide a list of all releases to which the Federal government has responded under the Superfund law other than those associated with hazardous waste sites. Please provide details of each incident, including date, nature of the hazardous substance released, the amount spent, and so on.

Answer: The following summarizes the releases to which the Federal government has responded under CERCLA. Detailed information is shown on the attachment.

Name and Location	Obligations to Date (dollars in thousands)	Page
Arlington, WY	$6.3	8
Guilford, NC	2.0	8
Detroit, MI	24.0	9
Mystery Dump, Sacramento, CA	7.0	11
Olean Well Fields, Olean, NY	26.0	14
Abandoned Drum, Rockaway Inlet, NY	1.1	15
Amoco Dock 31, Galveston, TX	1.6	19
Panther Creek, Galleno Park, TX	10.0	20
New Bedford Harbor, New Bedford, MA	1.1	21
Abandoned Drum, Carlsbad, CA	0.9	24
Drums on Beach, Manistique, MI	2.6	25
Abandoned Drum, Mile 593.8, Ohio River	1.1	25
Chemical Drum, Hessel, MI	7.0	27
Abandoned Drum, Erie Canal, Tonawanda, NY	0.7	27
Angeles National Forest, Pasadena, CA	15.0	28
Long Island Beach, Rye, NY	1.1	28
Abandoned Drum, Hillsborough River, Tampa, FL	18.5	28
Manila Creek, Poca, WV	101.0	29
Tuba City Acid Tank, Coppermine, AZ	28.0	30
Skiljan/Dial Services, Cleveland, OH	720.0	30
Floating Drum, Los Angeles, CA	0	32
Beached Drum, Cocoa Beach, FL	0	32
Unknown Chemical Discharge, Tampa, FL	4.3	33
Flood Damage, St. Louis, MO	50.0	34
Garage Fire, Glenside, PA	20.0	34
Pembroke Pines, Hollywood, FL	0	34

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
Work initiated under Sec. 311 CWA and continued under CERCLA		Picillo Coventry, RI	10,000-20,000 drums buried in 3 trenches.	Organics such as toluene, xylene, and benzene; chlorinated hydrocarbons; inorganics; alcohols; oil and metals.	Surface water and groundwater contamination.	$1.3M	Drums from one trench were excavated and disposed of. Drums from a second trench are being addressed as part of the ongoing remedial action. Immediate removal action complete.	$1.3M 311/IR EPA
" " " " "		Sylvester Nashua, NH	Unknown volume of buried free liquid chemical wastes.	Chemical liquids and sludges.	Surface water, groundwater, and soil contamination from migration of liquids and sludges.	$921K	Interception, recirculation and treatment of grossly contaminated groundwater plume is completed.	$921K 311/IR EPA
" " " " "		Motollo Raymond, NH	Approximately 1,700 buried drums.	Organics.	Surface water and groundwater contamination.	$659K	All drums were excavated and disposed of after interim on-site storage. Immediate removal action completed.	$659K 311/IR EPA
" " " " "		Ottati and Goss Kingston, NH	4,500 deteriorated drums of hazardous substances.	Organics.	Surface water and groundwater contamination; fire and explosion threat, acid vapor threat.	$1.703M	All leaking drums were overpacked and staged on site. Contents of the drums were sampled and all drums were disposed of. Action completed.	$1.703M 311/IR EPA

Attachment
(Pages 1-34)

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
Work initiated under Sec. 311 CWA and continued under CERCLA		Keefe Epping, NH	Site consists of a waste lagoon, vats, tanks, and drums containing wastes. Many containers were leaking and deteriorated.	Organics and inorganics, including solvents, acids, caustics, sludges, and lab packs.	Surface water and groundwater contamination; fire and explosion threat.	$1M	Waste lagoon freeboard was increased twice. Disposal of laboratory packs was completed. Site maintenance, security, and overpacking of drums, were done on an as-needed basis. All contents of dumpsters and tanks were removed. Action completed.	$1M 311/IR
" " "	" "	Western Sand and Gravel Co. Burrilville, RI	Four unlined hazardous waste lagoons.	Trichloroethylene, benzene, toluene, ethyl benzene, xylene, and PCBs.	Threats to aquatic life and to drinking water. Tarkiln Brook, a tributary to the Slaterville Reservoir, was contaminated.	$31K	One lagoon was pumped dry to halt leachate movement. The contents of the other 3 lagoons were solidified. Extent of contamination of Tarkiln Brook was assessed. State is completing the cleanup. Action completed.	$31K 311/IR
" " "	" "	LiPari Landfill Pitman, NJ	Leachate breakout from a large landfill on the Chestnut Branch tributary of the Delaware River.	2.9 million gallons of liquid chemicals and 12,000 cubic yards of wastes.	Surface water and soil contamination threatened trespassers who had unrestricted access to site.	$315K	Security fence to prevent access is under construction. Action ongoing.	$315K 311/IR

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
Work initiated under Sec. 311 CWA and continued under CERCLA		Old York Oil Co. Moira, NY	3 lagoons are leaking. Tanks containing wastes are present on site.	Oil and PCBs.	Contamination of soil.	$111K	Wetlands were partially dewatered. Contaminated soil was removed to lagoons. Lagoons were stabilized using treatment and coagulation methods. An interceptor trench was constructed.	$111K 311/IR
" " "	" "	Goose Farm Site Plumstead, NJ	Thousands of drums and bulked wastes are buried in a trench. Excavated drums are swelling and leaking.	Industrial chemicals.	Surface water and groundwater contamination. Possible recontamination of groundwater aquifer and nearby Lahaway Creek.	$1.5M	Materials in containers were excavated and stored on-site. The groundwater was treated by the State of New Jersey using State funds until the State funds were depleted. From October, 1980, until shutdown in April, 1981, EPA funded the operation of the groundwater treatment system. During July, 1981, a request for Superfund money was denied due to insufficient documentation on the direct health threat and potential contamination of groundwater. The State cleaned up the majority of surface contaminants. Any further work will be remedial. Action completed.	$1M 311/IR

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
Work initiated under Sec. 311 CWA and continued under CERCLA		Kin-Buc Landfill Edison, NJ	Approximately 70 million gallons of liquid wastes in pits at a landfill.	Mixed liquid industrial wastes, including chlorinated organics and PCBs.	Wastes contaminated surface water.	$1.855M	All removable leachate and oil was skimmed and drummed on site. Monitoring wells were drilled to trace path of contaminants. A mobile oil/water separator was used to reduce on-site liquid wastes. Site actions transferred to remedial. Action completed.	$1.855M 311/IR
" " " " "		Black Creek Niagara Falls, NY	Sewer discharge from Love Canal.	Mixture of chemicals which included dioxins.	Wastes contaminated surface water in a residential area.	$58K	Soil and air samples were obtained and analyzed to assess the extent of contamination. A vapor control system was designed. Specifications were completed to connect the sewer to a leachate treatment system. Any further actions will be remedial. Action completed.	$58K 311/IR
" " " " "		Pollution Abatement Services (P.A.S.) Oswego, NY	Approximately 1.4 million gallons of wastes, were contained in 3 lagoons, 20,000 drums, and several storage tanks.	Oil and mixed chlorinated organics.	Contamination of surface water and soil were due to potential overflows of lagoons. Contamination of drinking water due to proximity of water supply intake to discharge points. Site was accessible to children.	$408K	Lagoons were drained and treated; 7,000 drums were removed; 2 tanks were drained; 1,200 leaking drums were overpacked and surface runoff controls were installed; sorbents are maintained at site of discharge. A subsequent request for $3M to continue removal was denied on 9/22/82. All remaining site actions will be remedial. Action completed.	$408K 311/IR

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
Work initiated under Sec. 311 CWA and continued under CERCLA		Grigto Sharptown, MD	170,00 gallons of inadequately stored waste materials.	Waste oil contaminated with PCBs, xylene, and benzene.	Potential discharge into the Nanticoke River.	$247K	USCG studied the nature of stored materials, patched and plugged tank valves, and increased site security. Waste material was drummed and shipped for incineration. Tank contents were analyzed. Corrosives were neutralized. Action completed.	$247K 311/IR USCG
" "	" " "	Dracup Youngsville, PA	Approximately 25,000 gallons of wastes in 450 drums in a warehouse. Some drums were deteriorating and leaking. Surrounding soil was contaminated.	Oil contaminated with PCBs.	Soil, surface water, and groundwater contamination.	$421K	Constructed drainage interceptor trenches, assessed extent of groundwater contamination and removed drums along with some contaminated soil. Contaminated building was torn down and disposed of. A request for $40K to remove remaining contaminated soil was denied on October 7, 1982.	$421K 311/IR EPA
" "	" " "	McAllister Site Ashville, AL	Abandoned waste site containing 550 drums of waste material.	Solvents.	Soil and surface water contamination.	$50K	Sampled and analyzed contents of drums. Drums were removed to disposal facilities. Action completed.	$50K 311/IR EPA

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
Work initiated under Sec. 311 CWA and continued under CERCLA		Mowbray Engineering Site Greenville, AL	Repeated spills of hazardous substances from waste transformers.	Oil contaminated with PCBs.	Soil, surface water, and groundwater contamination. Areas surrounding the site and a swamp were contaminated.	$50K	Removed contaminated debris resulting from numerous spills of transformer oil. Sampled, analyzed, and removed contaminated soil. Developed methods to temporarily contain further discharges. Action completed.	$50K 311/IR EPA
" " "	" "	Seymour Recycling Seymour, IN	Approximately 60,000 drums and 100 tanks containing hazardous substances.	13 different industrial chemicals.	Vapor threat; fire/explosion threat and threat of groundwater/surface water contamination.	$887K	Surface runoff was contained. Explosive materials were removed. The site was fenced and the contents of tanks were removed. Extent of groundwater contamination was assessed. Action completed.	$887K 311/IR EPA
" " "	" "	Cordova Chem. N. Muskegan, MI	Hazardous chemicals improperly stored on the site.	Benzene, toluene, chlorethane, and phthalates.	Threat of groundwater contamination.	$267K	Leaking containers were removed. Extent of groundwater contamination was assessed. 50 residents were supplied with bottled drinking water. Further action at the site will be remedial. Action completed.	$267K 311/IR EPA

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
Work initiated under Sec. 311 CWA and continued under CERCLA		Laskin Poplar Jefferson, OH	Thousands of gallons of waste material in 2 lagoons and 20 above-ground storage tanks adjacent to a creek.	Waste oil contaminated with PCBs; phenols were also present.	Contamination of surface waters and of the water supply for Ashtabula County, OH, if an overflow or failure of lagoons occurred.	$1.642M	Initially, the water phases of 2 lagoons were drawn down and treated to prevent failure. Three large lagoons and one tank were later drained. Covers were placed on the two tanks; sludge solidified and disposed of in tank. Removal action completed. Any further action will be remedial.	$1.642M 311/IR EPA
" " "	" "	Summit National Liquid Services Deerfield, OH	More than 20,000 drums above ground; an unknown number of buried drums; a lagoon and a large polymer pit at the site.	C-56 and other organics.	Contamination of surface water and groundwater; a fire and vapor hazard is presented to nearby residents.	$709K	Lagoon containing C-56 was drained and treated. Additional above ground contamination, such as drums, tanks, and polymer pits, was removed by the State and the generators. Any further work will be remedial. Action completed.	$709K 311/IR EPA
" " "	" "	French Limited Site, Crosby, TX	Failure of a 15-acre waste lagoon and resultant discharges to a marsh and surface waters.	PCBs and other hazardous substances.	Contamination of surface waters and soil.	$455K	Spilled sludge and contaminated debris were transferred back into lagoon. Remedial investigation underway. Action completed.	$455K 311/IR EPA

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
Work initiated under Sec. 311 CWA and continued under CERCLA		MOTCO Site Lemarque, TX	Overflow and possible fracture of a dike of a lagoon containing several million gallons of waste.	Styrene tar, phenols, and heavy metals.	A direct contact threat. A recreational area, a commerical fishing area, and prime wetlands are located 1/2 mile downstream.	$1K	$300 of Superfund monies were committed to prevent discharge from lagoon. Later, Region VI requested additional funds to increase lagoon freeboard. However, sufficient freeboard was attained by evaporation. The request for funds was denied. Action completed.	$1K 311/IR USCG
" "	" " "	Stringfellow, CA	Discharges from a 20-year-old dump site for sulfuric acid anc other chemical wastes.	Phenols; DDT; derivatives of DDT; and heavy metals.	Direct contact threat; contamination of surface water and waters used for irrigation. Leachate from the site reached the Santa Ana River, a major source of recreation and irrigation. Discharges impacted a nearby residential subdivision.	$74K	The State of California removed millions of gallons of liquid wastes from the site; completed a gel curtain to halt leachate movement; and constructed a clay berm with drains. Federal actions included removal of 4M gallons of hazardous liquids to a treatment facility, dam repair, and maintenance of an access road.	$74K 311/IR EPA
7/14/81	7/12/81	Arlington, WY	Truck accident	100 gallons of Amitrol herbicide	The downstream water supplies for two towns were threatened.	$7K	The herbicide and contaminated runoff contained behind the earthen dam were removed and disposed of. Action completed.	$7K IR EPA
7/16/81	7/13/81	Guilford, NC	Unauthorized dumping	5 drums containing highly acidic chemicals	One person was burned and nearby vegetation was extensively damaged.	$10K	Drums were removed to a temporary secure storage area. The contents were analyzed and disposed of. Action completed.	$10K IR EPA

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
* 7/16/81	6/9/81	Detroit, MI	Unauthorized dumping.	173 drums containing paints, solvents and organics.	Three people were treated for nausea due to exposure by inhalation. Drums located in ditches threatened the Salt and Clinton Rivers.	$22K	Drums were removed to a temporary, secure storage area.. Contents were analyzed and disposed of. Action completed.	$22K IR EPA
7/21/81	7/10/81	General Disposal Santa Fe Springs, CA	Explosion and fire.	18,000 drums of paints, solvents, and pesticides.	Skin and eye irritation, property damage, and a fishkill were reported. Recreational beach was temporarily closed.	$1.3M	Liquids, sludges and crushed drums were removed and disposed. Federal action was demobilized on 11/2/81 when responsible party took over surface cleanup which was completed on 1/11/82. Site is fenced and capped. Action completed.	$1.3M IR EPA
8/5/81	8/5/81	Kansas City, MO	A residential yard was contaminated by tenants stripping transformers of salvagible metal.	PCBs	Residents of the house were exposed to PCB's in their backyard.	$5K	Request for an immediate removal action was denied because the response was determined to be within State and local capabilities. Contaminated material was removed by local power company.	None IR
9/1/81	8/25/81	ABM Wade Chester, PA	Chemicals stored in deteriorated drums or poured directly onto the ground; State was cleaning up, but exhausted funds.	Various organic and inorganic materials including PCBs.	Deteriorated PCB drums could have presented major threat to nearby residents if fire had broken out. Contaminated runoff endangered fishermen.	$268K	Drums containing PCBs removed and contents disposed. Runoff controls installed to prevent discharge to river. Remaining drums and soil determined not posing immediate threat. Action completed.	$268K IR EPA

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
9/1/81	8/25/81	Bruin Lagoon Butler, PA	Berm around lagoon overflowed and was potentially unstable. Possible contamination of nearby drinking water wells.	Acids, heavy metals, and hydrocarbons.	Direct contact with chemicals possible since overflow went onto private residential property. Wells threatened.	$131K	Berm was stabilized and additional freeboard established; overflow was diverted; wells passed bioassay test. Action completed.	$131K IR EPA
9/14/81	9/11/81	Valley of Drums Bullitt County, KY	1,500 deteriorated drums on surface were contaminating runoff and threatened to mix incompatible contents. A runoff treatment system installed under Sec. 311 CWA had became inoperative.	Ignitable solvents, reactive methyl methacrylate, acids, and bases.	Fire and explosion threat to 3,000 persons within a one mile radius of the site. Water bypassing the inactive treatment system was forming a contaminated plume, destroying vegetation.	$450K	All drums removed. Maintainence runoff treatment system turned over to State. Action completed.	$450K IR EPA
9/19/81	9/19/81	Crystal Chemical Houston, TX	Abandoned pesticide plant contained 1 million gallons of contaminated rainwater and soil.	3-8% Arsenic	Discharge of contaminated water off site posed a severe public health threat to nearby residents.	$776K	All arsenic contaminated rainwater removed. Entire site is being graded, clay-capped and seeded. Action ongoing.	$776K IR EPA
9/22/81	9/10/81	Dreyfus Street Columbia, SC	400 deteriorating drums of chemicals stored in residential and commercial area.	Acid, phenols, dyes, solvents and shock sensitive material.	Fire and explosion hazard in the downtown area of Columbia, SC.	$300K	Drum contents analyzed. All drums removed from site and disposed of. Action completed.	$300K IR EPA

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
9/25/81	9/14/81	Raser Tannery Ashtabula, OH	Tannery was abandoned with approximately 600 drums remaining. Fire destroyed many drums, and remaining drums were leaking and swollen as a result of the fire.	Solvents (benzene, toluene, etc.); dye pigments.	Fire and explosion and direct contact as area was unfenced and used as a walkway by children. Leaking drums were easily accessed and could have resulted in contact or inhalation of fumes.	$74K	All flammable and hazardous materials removed from site. Remaining drums were analyzed and disposed of at proper facilities. Action completed.	$74K IR EPA
10/2/81	10/2/82	Berlin & Farro Swartz Creek, MI	Site contained waste lagoons, buried drums and tanks. Contaminated runoff threatened to overflow lagoon.	Chlorinated organics, including mirex, hexachlorocylcopentadiene (C-56) and hexachlorobenzene (C-66).	Direct contact threat due to uncontrolled runoff, vapors and unrestricted access to site. Leakage from underground tanks could impact groundwater.	$420K	Syphon dam upgraded to control runoff. Security fence was installed. Contaminated soils and empty drums from the tank area removed and disposed of. Underground storage tanks containing C-56 are to be addressed under remedial action since no leakage detected. Action completed.	$420K IR EPA
* 10/2/81	10/2/82	Mystery Dump Sacramento, CA	Deliberate dumping by unknown party onto banks of recreational stream.	Oil mixed with 2,4-D.	Direct contact threat. One reported exposure incident.	$10K	Material removed and disposed. Action completed.	$10K IR EPA
10/15/81	10/14/81	Chemical Metals Industries, Inc Baltimore, MD	Two abandoned sites separated by 20 occupied row houses were used to reprocess waste chemicals and to store drums of waste. Storage site contained several hundred deteriorating drums.	Acids, alkali salts, cyanide bearing compounds.	Presence of suspected incompatible chemicals in leaking drums posed an acute vapor threat to residents of adjoining row houses as well as a direct contact hazard.	$215K	All drums and debris were removed from site. Action completed.	$215K IR EPA

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11/2/81	4/9/81	Brodhead Creek Stroudsburg, PA	Chronic release into a stream from gravel pit used for disposal of coal gasification wastes.	1.5 million gallons of coal tar.	The site is 30 miles upstream of the drinking water intake for Easton, PA. Heavy contact due to recreation and sport fishing exists in the area. Coal tar is toxic to trout.	$604K	Slurry wall installed to contain material and prevent discharge to creek. Action completed.	$604K IR EPA
11/3/81	11/2/81	AIDEX Council Bluffs, IA	Abandoned pesticide formulating facility contained several hundred deteriorating drums, an open pit, and large quantities of solid pesticide scattered over site.	At least 14 different liquid and solid pesticides.	Direct contact threat due to easy accessibility to children who live in residences adjoining the site. Children had been observed playing in suspected pesticides.	$50K	Security fence constructed around the site. Sampling to determine threats caused by runoff, windblowing, and percolation to groundwater was conducted by FIT teams. Action completed.	$50K IR EPA
11/3/81	8/26/81	Midco I Gary, Indiana	Abandoned storage and solvent recovery facility containing an estimated 12,000 deteriorated and fire-damaged drums.	Numerous hazardous organic chemicals.	Direct contact threat to 20,000 people within a one-mile radius of the site due to seepage into basements and vapors. Threat of fire and explosion also present.	$920K	Drums were sampled, staged and removed from the site. Contaminated soil was moved and site capped. Action completed.	$920K IR EPA
11/10/81	9/30/81	Old Mill Rock Creek, OH	700 leaking drums containing various liquid and solid wastes.	Organic and inorganic liquids and solids, including PCBs, arsenic, mercury, and chromium.	Air, soil, surface water, and groundwater contamination. Threat of direct contact and a serious fire and explosion threat to several residences within 150 feet of the site.	$160K	All drums have been removed and contents disposed of. Contaminated soil has been collected on site and OSC is awaiting results of samples taken to determine disposal options. Action ongoing.	$160K 311/IR EPA

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
11/13/81	11/12/81	Carolawn Fort Lawn, SC	Former incineration facility was abandoned and contained leaking bulk storage tanks, deteriorating drums and a contaminated lagoon.	Heavy metals, phenols and volatile organics.	Significant runoff of contaminants migrated into a tributary of the Catawba River, the drinking water source for Lugaff, SC. Air contamination affected the nearest houses which are 100 yards away.	$600K	All drums, bulked liquids, and contaminated water were removed. Action completed.	$600K IR EPA
11/19/81	11/10/81	Lehigh Elec. & Engineering Co. Old Forge, PA	Storage and reclamation facility with approximately 4,000 transformers and capacitors on-site, some of which are leaking hazardous dielectric fluids.	Dielectric fluids laden with PCBs.	Soil and possibly the groundwater are contaminated with PCBs. Site is located on a 100 year floodplain. Greater than 10,000 people are within one mile presenting a direct contact problem.	$15K	Request for provision of a security guard was denied. Site is already securely fenced. Owner is violating a court injunction by altering materials on-site. Funds subsequently provided within the region.	None IR
11/20/81	11/20/81	Isanti Solvent Sites Isanti County, MN	Four separate sites within a 10 mile radius of each other. One was a burial site, while the other 3 were surface sites with trailers and drums.	Alcohol based solvents and other organics.	A high explosion potential exists as well as a direct contact threat. Four families had been notified not to drink their well water.	$720	All drums excavated, sampled and disposed of along with contaminated debris and bulked material. Action completed.	$720K IR EPA
11/20/81	11/19/81	Chemical Minerals Reclamation Cleveland, OH	Deteriorating storage site contained drums which were leaking and buildings in danger of collapse. 20 to 30 outside drums had been turned over and emptied by vandals.	Solvents, paints, resins.	Direct contact threat was possible due to the close proximity of a heavily populated residential area. Volatile and low flash point materials posed a fire and vapor threat. Runoff into the Cuyahoga River was significant.	$455K	8,000 gallons of solvents were bulked and disposed of along with 100 drums and contaminated soil. Action completed.	$455K IR EPA

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11/20/81	11/19/81	New Brighton Arden Hills Shoreview, MN	Contamination was found in municipal and private potable well water from an unconfirmed source.	Trichloroethylene, trichloroethane, dichloroethylene.	The contamination of drinking water potentially exposed 28,000 people to 20-200 ppb trichloroethane.	$200K	Request denied due to determination that situation did not represent an imminent and substantial danger to public health.	None IR
* 12/13/81	12/1/81	Olean Well Fields Olean, NY	Unconfirmed source had contaminated municipal and private potable well water.	Trichloroethylene, tetrachloroethylene, chloroform.	16 private and commerical water users were affected by acute levels of trichloroethylene.	$25K	Carbon filters were installed in affected homes and businesses for six months. Cattaraugus County took over operation and maintenance after 6 months. Action completed.	$25K IR EPA
12/14/81	12/7/81	Greiner's Lagoons Fremont, OH	Four storage and reclamation lagoons covering eight acres. One of four had overtopped dikes.	Waste oil, sludges, PCBs.	Potential existed for surface runoff into the Sandusky River which could have affected the water supply for 25,000 people.	$110K	Overflowing lagoon was dewatered and capped. Action completed.	$110K IR EPA
12/30/81	12/17/81	Callahan Prop. Ellisville, MO	1000 buried and partially buried deteriorated drums caused a discharge into a creek.	Nitrobenzene, various organic acids, pesticides.	Area was heavily residential and children had easy access to site and contaminated creek.	$310K	Runoff diversion and leachate interception trenches installed. Drums were excavated, overpacked and left on site in secure storage. Contaminated soil was removed and disposed. Action completed.	$310K IR EPA

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* 12/31/81	12/29/81	Abandoned Drum Rockaway Inlet, NY	Abandoned floating drum was recovered by USCG and U.S. Army, Corp of Engineers; then moved to Army facility. USCG refused to dispose of drum.	Unknown irritating chemical; suspected acetone.	Injuries due to direct contact were reported by USCG personnel attempting to handle the drum.	$3K	The drum was removed and properly disposed. Action completed.	$3K IR EPA
1/7/82	1/7/82	Llangollen Landfill New Castle City, DE	County landfill. Explosion levels of methane were detected leaking upward from ground where hunters had broken off monitoring well caps.	Toluene, xylene, trichloroethylene, chloroform, mercury, zinc, lead, chromium, and methane.	Potential for explosion/fire threatened hunters who use the area.	$5K	Request for provision of gate was denied because the State would not post signs, nor attempt to prevent access by hunters.	None IR
1/11/82	12/16/81	Pitello Prop. Mt. Carmel, PA	Three buried tanks containing hazardous chemicals were found at a private residence.	Non-halogenated aromatic solvents and resins.	These chemicals formed a highly volatile mixture, and a strong odor emanated from the tanks.	$15K	Request for removal and disposal of tanks and their contents was denied since the action was clearly within the capability of the State and/or local government and material was recoverable.	None IR
1/11/82	12/30/81	W.VA. Ordnance Site Pt. Pleasant, W.VA.	Leachate from an old TNT manufacturing plant contaminated nearby soil and surface water.	Trinitrotoluene and dinitrotoluene.	Direct contact hazard threatened hunters. Leachate was toxic to fish and wildlife.	$111K	Request for funds to assess site hazards was denied and work was performed using other means. Study is underway.	None IR

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1/13/82	1/13/82	Liquid Disposal Inc., Utica, MI	Release at waste incineration facility killed 2 workers. Facility subsequently abandoned and release from lagoon contaminated soils outside facility. Later, lagoon walls threatened by rising contents which overtopped liners. Flammable liquids stored in open containers.	Pesticides, chlorinated compounds, acids, resins, C-56 and PCB's were found on site.	Vapor release killed 2 workers. Lagoon leakage/failure threatened users of State park 1/4 mile away. Fire and explosion potential threatened nearby population.	$319K	Request to enter hazardous area, shut off equipment, remove bodies approved but owner agreed to take action. Subsequently, PCB contaminated soils outside the facility were removed and disposed in a secure landfill, lagoon level was lowered 2 feet below top of liner, incinerator pit was drained and repaired, a clay barrier was placed to prevent seepage from reaching the Clinton River, dikes were regraded and repaired, and tanks of flammable chemicals were secured. Action completed.	$319K IR EPA
1/15/82	1/15/82	Berncolor, Inc Poughkeepsie, NY	Explosion and fire at a dye manufacturing plant demolished the building killing 2 workers and injuring 11.	Numerous hazardous chemicals, including aniline and ortho-cresol.	Potentially hazardous vapors were produced by the fire. Contaminated runoff had migrated into Fallkill Creek and the Hudson River. Continued threat of fire and explosion and vapor release existed and soil was contaminated.	$600K	Remaining contaminated runoff was removed; unstable drums were removed by crane from the building. All hazardous materials (contaminated debris, damaged drums) were transported to a secure landfill. Action completed.	$600K IR USCG

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1/26/82	1/26/82	Burnt Fly Bog, Marlboro Township, NJ	Lagoon containing waste oil and chemicals was accessible to children and was unstable due to weakening of dikes.	PCBs, heavy metals, organics.	Direct contact threat due to easy accessibility by children. Threat of large scale contamination of surface water due to failure of lagoon walls.	$35K	Security fence erected around lagoon and dike stabilized. Action completed.	$35K IR EPA
1/26/82	10/6/81	Tybouts Corner Landfill New Castle Co., DE	Residential well severely contaminated by leachate from chemical waste landfill.	Benzene, 1,2-dichloroethane, 1,2 diphenylhydrazine and arsenic.	Drinking water contaminated. Resident forced to obtain water from a neighbor.	$30K	EPA offered to provide water tank to affected resident but neither State or County would agree to fill. EPA contracted to dig new well but resident refused to accept. Action terminated.	$30K IR EPA
2/18/82	2/16/82	Gold Coast Oil Corporation Miami, FL	Leakage from 2,500 deteriorating drums and storage tanks was percolating to groundwater.	Phenols, toluene, cyanide, lead, tetrachloroethylene, bis-phthalate.	Percolation of runoff threatened groundwater used for drinking and irrigation purposes.	$400K	Immediate Removal denied. Action approved as a planned removal (see next entry).	None IR

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2/18/82	2/16/82	Gold Coast Oil Corporation Miami, FL	Leakage from 2,500 deteriorating drums and storage tanks percolating to groundwater.	Phenols, toluene, cyanide, lead, tetrachloroethyene, bisphthalate.	Percolation of runoff threatened groundwater used for drinking and irrigation purposes.	$400K	Approval given to remove all waste, however responsible party took action on demand and completely cleaned site.	$350K PR EPA
2/19/82	2/16/82	Lehigh Elec. & Engineering Co. Old Forge, PA	Storage and reclamation facility containing approximately 4,000 transformers and capacitors on-site, some of which are leaking dielectric fluids.	PCBs.	Soil contamination presented a direct contact threat to nearby residents. Groundwater also threatened.	$718K	The request for a planned removal was denied because remedial response was prepared to handle all required clean-up actions.	None PR
2/23/82	2/10/82	Brickyard Site West Point, KY	Abandoned brickyard containing several thousand deteriorating drums.	Organic solvents and various liquids and sludges.	Vapor threat as a result of deteriorating drums. Illness and dizziness reported. Contaminated groundwater moving towards aquifer.	$300K	All drums and contaminated soil removed from site and disposed. Action completed.	$300K IR EPA

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2/26/82	2/25/82	Drake Chemical Corporation Lock Haven, PA	Bankrupt chemical plant which had deteriorating drums and reactors full of material left on-site.	Various chemicals including toluene, phenol, isophorone, amino benzene, dichloromethane and shock sensitive materials.	Air threat due to extremely high levels of organic vapors found on and off site. Fire and explosion threat due to unstable mixtures of materials.	$953K	Site fenced and material in drums and reactor vessels removed and disposed. Action completed.	$953K IR EPA
* 3/3/82	3/3/82	Amoco Dock 31 Galveston, TX	2 barrels fell over-board from a vessel.	Toluene.	Threat of surface water contamination.	$2K	Drums were boomed off, sampled, removed, and disposed of. Action completed.	$2K IR USCG
3/8/82	3/1/82	Chem-Dyne Corp. Hamilton, OH	Abandoned chemical waste storage facility containing chemical sludges which were leaking from two loading docks into a drainage ditch, which emptied into a nearby canal and the Great Miami River.	PCBs, pesticides, chlorinated compounds, acids, cyanide wastes.	Overflow, skin irritation. Environment - fish kill.	$210K	Liquids and sludges solidified and removed. Work also included fencing, sampling and analysis, and disposal of waste oil from storage tank. Action completed.	$210K IR EPA

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3/9/82	3/8/82	Argent Corp. Rio Rancho, NM	Bankrupt company cleaned up a cyanide spill by flushing out the facility.	Sodium cyanide.	Soil contaminated by runoff. Direct contact threat to nearby residents. Nearby wells also threatened.	$50K	Action approved by Regional Administrator. 52 cubic yards of contaminated soil removed and disposed of. Action completed.	$50K IR EPA
3/12/82	3/10/82	Panther Creek Galleno Park, TX	Leak from a vessel.	Xylene - 1800 barrels.	Surface water contamination.	$15K	Product contained and removed from the mouth of Panther Creek. Action completed.	$15K IR USCG
3/12/82	3/12/82	Upper Mississippi River St. Louis, MO	Product leaked from a storm sewer outfall into river.	50 to 75 gallons of unknown red product.	Direct contact and surface water threat.	$5K	Immediate removal denied. Pollutant determined to be hydraulic fluid (oil). 311(k) funds used to remove and dispose.	None IR USCG
3/19/82	3/8/82	Lenoir Refining Lenoir, NC	Improper storage of deteriorated drums in residential area adjoining busy street.	800 - 1,000 drums spent organic solvents including benzene, toluene, xylene, acetone, etc.	Threat via vapors and fire/explosion to nearby residents. Runoff could enter a nearby creek.	$200K	An immediate removal action was denied but a planned removal action was approved.	None IR

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3/24/82	3/24/82	American Surplus Tacoma, WA	A 5-acre storage site partially destroyed by fire. Large quantities of contaminated fire-fighting water were released to the groundwater; and to Commencement Bay via storm drains.	800 containers of paints, flammable solvents and pesticides.	Fire/explosion threat to users of major route and commerical area.	$200K	Removal initiated under Regional authority. 700 damaged containers were overpacked and disposed of. More than 50 cubic yards of debris were removed. Action completed.	$200K IR EPA
4/1/82	3/29/82	Triangle Chem. Orange City, TX	Abandoned chemical facility containing 700 deteriorating drums.	700 drums of highly toxic flammable materials.	Fire and explosion and direct contact threat due to proximity to major highway and unrestricted access.	$10K	A fence was erected around the site. Action completed.	$10K IR EPA
* 4/5/82	4/3/82	New Bedford Harbor, New Bedford, MA	PCBs discharged from industrial sources into harbor.	PCBs.	Potential threat of direct contact with sediments by bathers.	$10K	Core samples were taken to determine severity and extent of contamination and warning signed erected.	$10K IR USCG
4/7/82	3/22/82	ABM-Wade Chester, PA	Drums and contaminated soil remained on abandoned site after an immediate removal stabilized the site.	Various organic and inorganic materials including PCBs.	Contamination presented a runoff threat to the Delaware River. Fire and direct contact hazards also exist from remaining drums.	$762K	A planned removal not warranted based on current site conditions. Action denied.	None PR

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4/16/82	4/15/82	Lenoir Refining Lenoir, NC	Improper storage of deteriorated drums in residential area adjoining busy street.	1300 drums of spent organic solvents including benzene, toluene, xylene, acetone, etc.	10,000 people live within a 1/2 mile radius of the site with unrestricted access. Threat via vapors and fire/explosion are possible. Runoff could enter a nearby creek.	$200K	1,300 drums and 20,000 gallons of liquid wastes were removed. 160 cubic yards of contaminated soil were disposed of. Action completed.	$200K PR EPA
4/23/82	4/6/82	Triangle Chem. Orange City, TX	Abandoned chemical facility containing 700 deteriorating drums.	700 drums of highly toxic and flammable materials.	Fire and explosion and direct contact threat due to proximity to major highway.	$500	All drums sampled, staged and removed. Contaminated soil removed and disposed of. Action completed.	$500K PR EPA
4/27/82	4/27/82	Movesian Site Jefferson City, MO	Drums buried along creek bank and were possibly leaking.	Unknown	Exposed workers experienced headaches and nausea. Surface water and soil was contaminated.	$35K	Regional TAT team analyzed contents and determination made that removal not necessary. CERCLA funds not needed.	None IR
4/30/82	4/29/82	Barge Collision Alton, IL	As result of collision, a barge was sunk and pinned against a dam. Barge leaked cargo.	10,000 barrels benzene.	Severe fire and explosion threat posed to downtown Alton, IL. The drinking water supply for St. Louis was threatened.	$100K	$100K approved however, barge successfully removed by responsible party. Action completed, no expenditure of Superfund money.	$100K IR USCG

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5/5/82	5/5/82	Calumet Container (Steel Container Corp) Hammond, IN	Fire and subsequent reignition damaged containers at abandoned storage facility. Contaminated runoff from the fire-fighting effort was contained on site.	Arsenic, cyanide, lead and chromates.	Direct contact and fire/explosion hazard to nearby residents. Soil contamination threatened surface water.	$25K	Removal initiated under Regional authority. 5,500 gallons of liquid in open containers and 27 cubic yards of sludge were removed. Action completed.	$25K IR EPA
5/12/82	5/11/82	A&F Materials Greenup, IL	Rains threatened lagoon overflow and dike failure at abandoned waste oil reclaiming facility.	Oil, sludge, PCBs, and several metals.	Surface water contamination and threat to ecologically sensitive areas.	$63K	One lagoon dewatered and oil/PCB transferred into it. Lagoon embankment was strengthened and freeboard increased. Action completed.	$63K IR EPA
5/13/82	5/13/82	Pocatello, ID	Illegal dumping of two drums containing sulfur chloride at municipal landfill. One drum exploded during routine operations.	Sulfur chloride.	Air and soil contamination, direct contact threat and fire/explosion hazard to workers.	$10K	Removal initiated under Regional authority. Second drum of sulfur chloride removed to a safe disposal area. Action completed.	$10K IR EPA
5/14/82	5/13/82	Harvey Knott #1 New Castle, DE	High levels of PCB and lead in soil at abandoned waste site.	PCB's and lead.	Direct contact due to accessibility and drinking water threatened by leaking drums of PCBs.	$46K	Security fence was installed and 35 drums of PCB overpacked until remedial action begins. Action completed.	$46K IR EPA

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5/24/82	4/13/82	Collinsville Dumpsite, Collinsville, IL	Three acre site on a coal mine spoil pile containing 500 deteriorated drums.	Various solvent sludges.	Fire/explosion hazard. Surface water quality deteriorated.	$60K	Immediate removal denied due to remoteness of area and fact that surface water grossly contaminated by mine spoils.	None IR
* 5/26/82	5/26/82	Abandoned drum Carlsbad, CA	Deteriorating 55 gallon drum located on the beach near the Army/Navy academy.	Unknown caustic chemicals.	Surface water and soil contamination. Direct contact hazard.	$5K	Drum removed and disposed of. Action completed.	$5K IR USCG
5/27/82	5/13/82	Dead Creek Sauget, IL	Dry creekbed in which industrial wastes had been dumped for 40 years.	Heavy metals, organic solvents, PCBs and other organics.	The threat of direct contact due to location in a heavily populated residential area.	$70K	A fence to restrict access installed. Action ongoing.	$70K IR EPA
6/1/82	5/27/82	Anaconda Road Site, Akron, OH	Three leaking tanks located in a highly populated area have contaminated soil and a drinking water supply well on the property.	Flammable organic materials--toluene, phenols, ketones, metals and some PCBs.	Fire and explosion and direct contact threat to nearby shoppers and residents.	$50K	Removed and disposed of three tanks and the contaminated soils surrounding the tank area. Action completed.	$50K IR EPA

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6/9/82	6/9/82	Plastifax Corp Gulfport, MS	A fire/explosion at a chemical company. Two people killed, 64 injured and 5000 evacuated due to vapor cloud. Chemical drums landed 1/4 mile away from the site.	Phosphorous acid, caustic soda, sulfuric acid, paraffin and other unknown chemicals.	Fire/explosion hazard and threat of direct contact. Air, soil, groundwater and surface water contamination.	$200K	35,000 gallons of liquid waste and 640 cubic yards of contaminated soil were removed and disposed of. Action completed.	$200K IR EPA
* 6/10/82	6/10/82	Drums on beach, Manistique, MI	Drums containing unknown chemicals washed up on beach.	Unknown chemicals.	Direct contact threat to beach users.	$5K	Drums overpacked, removed and disposed. Action completed.	$5K IR USCG
6/14/82	6/4/82	Cecil County Dump (Montgomery Brothers Site) Northeast, MD	Abandoned clay quarry containing 2 small contaminated ponds located over buried drum site is drained by a small stream which runs through a trailer park.	100-120 buried drums containing halogenated and non-halogenated organics, pesticides and metals.	Direct contact; surface water, drinking water, and air contamination threat to residents of trailer park and nearby church camp.	$150K	Filter fences installed to intercept runoff. Fencing was erected and four leaking drums were removed and disposed of. Eight other leaking drums were overpacked and stored on site. A magnetometer survey, ground penetrating radar study and site assessment were conducted to determine need for further work. Action completed.	$150K IR EPA

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6/14/82	6/11/82	Holder Chemical Ona, WV	Approximately 50 leaky drums and 100 cubic yards of pesticide wastes scattered throughout a 2.5-acre pesticide/herbicide formulation facility.	2,4-D, Chlordane, DDT, and malathion.	Surface water, drinking water, air and soil contamination, threat of direct contact.	$225K	Security fence installed, runoff diverted and contained waste pile removed and disposed, drums overpacked. Diversion system later replaced by sediment trap. Action ongoing.	$225K IR EPA
6/16/82	3/30/82	Monticello Monticello, UT	Uranium mine tailings incorporated into the adobe bricks of two structures.	Radiation sources, radon and radon daughter products.	A threat to users of structures due to respiratory and gamma radiation exposure if encountered.	$153K	Planned removal action denied because the site did not meet the NCP eligibility criteria. The hazard is chronic, rather than acute in nature.	None PR
6/18/82	6/18/82	Bridgeport Rental Bridgeport, NJ	Abandoned site contains deteriorated storage tanks and waste lagoon. A dike in danger of overflow or burst causing catastrophic discharge.	60 million gallons of oil and water contaminated with chemicals and 25 million gallons of sludge.	Gross contamination of environmentally sensitive area if dike failure occurs.	$200K	Lagoon levels lowered with carbon treatment unit. Should levels rise underflow treatment system will be installed. Action ongoing.	$200K IR EPA
* 6/28/82	6/28/82	Abandoned drum Mile 593.8, Ohio River	Drum washed ashore. Person who attempted to move the barrel reportedly received chemical burns.	Unknown hazardous material containing sulfur.	Surface water contamination and threat of direct contact.	$2K	Contents were disposed of at waste treatment plant. Action completed.	$2K IR USCG

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* 6/29/82	6/29/82	Chemical drum Hessel, MI	Abandoned drum caused man to become ill when he inhaled fumes.	Unknown chemicals.	Direct contact threat due to vapors.	$4K	Drum was overpacked and transported for disposal. Action completed.	$4K IR USCG
6/30/82	6/21/82	East Bay Site Traverse City, MI	Domestic well water contained organic contaminants. City installed water main to the site but lacked funds to connect all of the homeowners.	Benzene, toluene, acetone, and other organics.	Drinking water severely contaminated.	$147K	Affected homes being connected to city water. Action ongoing.	$147K IR EPA
7/4/82	4/27/82	U.S. Titanium Piney River, Va	Acid runoff from bank slopes and chronic leachate from burial pits/lagoon are contaminating a river.	Sulfuric acid.	Chronic acid leachate presented environmental threat. Fishkills reported.	$300K	Request for planned removal denied. Chronic discharges from the site did not present an immediate or substantial threat to human health.	None PR
* 7/14/82	7/14/82	Abandoned Drum Erie Canal Tonawanda, NY	Leaking drum found floating in the New York State Barge Canal.	An unknown brownish liquid.	Surface water contamination. Possible fire/explosion hazard.	$3K	Drum removed and disposed of. Material determined to be a flammable organic solvent. Action completed.	$3K IR USCG

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* 7/21/82	7/21/82	Angeles National Forest Pasadena, CA	Illegal PCP factory was abandoned and all chemical ingredients were pushed down a steep slope into a ravine.	Miscellaneous chemicals including spent grignard reagent, and residual amounts of ether.	Direct contact threat to hikers and potential fire hazard due to spontaneous combustion of materials.	$15K	Removal initiated under Regional authority. 50 gallons of spent grignard reagent, 20 m containers, and 1 cubic yard of contaminated soil were disposed of. Action completed.	$15K IR EPA
7/22/82	7/16/82	Old G and H Landfill Macomb County, MI	Two seepage ponds containing approximately 1,000 gallons of PCB-contaminated oil formed at the site of a former 30-acre landfill which is now part of a state recreation area.	PCBs.	Direct contact threat to recreation area visitors.	$9K	Fence constructed and warning signs posted. Action completed.	$9K IR EPA
* 7/27/82	7/27/82	Long Island Beach Rye, NY	Discharge from storm sewer caused blisters and burns. Approximately 2 miles of public beach were closed for 4 days.	Unidentified brown liquid.	Threat of direct contact at a public beach.	$2K	Response was made by the USCG. Analysis of spilled material indicated that the material was sewage. Investigators were unable to find source of discharge. Action completed.	$2K IR USCG
* 8/5/82	8/5/82	Abandoned drum, Hillsborough River, Tampa,	Contents of 6 drums burned grass and discolored soil when spilled on the river bank. Vapors from the chemicals caused throat irritations.	1 drum of hydrochloric acid and 5 drums of unknown chemicals.	Direct contact threat.	$25K	Dike built around the drums, contaminated soils were removed and disposed of. Drums were overpacked and disposed of at an approved site. Action completed.	$25K IR EPA/USCG

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
8/13/82	7/29/82	Chatham Bros. Solvent Recycling Escondido, CA	Abandoned recycling operation for industrial solvents, contains 150 drums and contaminated soil. The site is used as a playground by local children.	Volatile organics, metals and PCB's.	Direct contact threat due to lack of security and soil contamination.	$8.8K	Request rescinded by Region IX. No action to be taken.	None IR
* 8/21/82	8/21/82	Manila Creek Poca, WV	Unauthorized dumping of hazardous chemicals 150 feet away from State highway and 200 feet from Manila Creek.	77 drums of hazardous chemicals including phenols and cyanides.	Air, soil and surface water contamination and direct contact threat.	$100K	150 yards of contaminated soil and 7000 gallons of contaminated rainwater disposed of. 77 drums sampled for enforcement purposes. Drums were removed and disposed of. Action completed.	$100K IR EPA
8/26/82	4/28/82	A&F Materials Olney, IL	Nine contaminated lagoons threaten to contaminate a nearby river and area drinking water source.	Lagoons contain contaminated oil, sludge, PCBs and several metals.	Direct contact hazards encountered by local residents.	$197K	The Cooperative Agreement required to permit a State lead removal action is pending approval. Action pending.	$197K PR EPA
8/31/82	8/27/82	T.P. Long Chemical Co. Akron, OH	Leaking drums and tank discovered at an abandoned, bankrupt rubber recycling facility located in a residential area.	Aliphatic hydrocarbons contaminated with high concentrations of phenol.	Air, soil, and surface water contamination and threat of direct contact.	$50K	Removal of drums and soil has been completed. A tank of sodium monochloride is now being addressed. Action ongoing.	$50K IR EPA

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
* 9/3/82	9/3/82	Tuba City Acid Tank Coppermine, AZ	Imminent collapse of badly corroded tank on Indian Reservation endangered 150 residents working or living nearby.	8000 gallons of 75% sulfuric acid	Air contamination (threat of vapor cloud) and direct contact threats.	$38K	Drained, neutralized, transported and disposed of contents of tank. Action completed.	$38K IR EPA
9/21/82	8/17/82	Cecil County Dump (Montgomery Brothers Site) Northeast, MD	Abandoned clay quarry containing 2 small contaminated ponds located over buried drum site is drained by a small stream which runs through a trailer park.	800-1200 buried drums containing halogenated and non-halogenated organics, pesticides, and metals.	Air, soil, surface water and groundwater contamination and threat of direct contact.	$462K	The site was stabilized by a previous immediate removal action. Planned removal to remove remaining drums and contaminated soil underway. Action ongoing.	$462K PR EPA
* 9/21/82	9/18/82	Skiljan/Dial Services Cleveland, OH	Radium vials were found in a residential backyard and basement and at a factory.	Radium and radium by-products.	Radiation threat to residents and public.	$800K	A planned removal was approved. An application for a State-lead Cooperative Agreement is expected shortly.	$800K PR EPA

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
10/1/82	9/17/82	Mill Creek Erie, PA	A 48-acre site used as a landfill for industrial debris, slag residues, and foundry waste. Approximately 1000 people reside within 2000 ft. of the site. It is commonly used as a playground.	Solvents, degreasers and paint wastes contained in 70-100 bulging, leaking surface drums, shallow buried drums and a potentially large number of buried drums.	Groundwater, surface water and soil contamination and threat of direct contact.	$385K	Immediate removal request denied because the site does not pose an imminent threat to the public health and welfare. A planned removal request has been put on hold pending investigation to define the pollutants present and the threat they pose.	None IR
10/1/82	9/28/82	Gramlich Fort Smith, AR	Abandoned home on a lot adjacent to an alley in a residential area. Lot is unfenced.	Soil contaminated with PCBs. Four 55-gallon drums containing PCB fluid.	Soil contamination. Threat of direct contact.	$250K	Request for immediate removal funding denied because the site did not meet the criteria for an immediate removal action. State performed the cleanup action.	None IR
10/7/82	9/29/82	J & L Drum Site Memphis, TN	Abandoned 1-acre site containing 50 open and/or leaking drums of organics located within 100 yds. of a housing development.	18 organic compounds: bis (2-ethyl hexyl) phthalate, atrozene, methylthiobenzothiazole and 1,2 dichloroethane. Also PCBs, lead, and cyanide.	Air, soil and surface water contamination and threat of direct contact.	$100K	Removed and disposed of drums, sludge and contaminated soil. Refenced area and put fresh soil on site. Action completed.	$100K IR EPA
10/27/82		Jack Dennis Pesticide Burn Site Midwest City, OK	Trailer used for pesticide storage caught fire. Pesticides spilled and were washed into the ground by the fire-fighting water.	Lindane, PCNB, heptachlor, malathion, chlordane, dieldrin, E.parathion, methoxychlor, Endrin, P,P-DDT and trithion.	Soil, groundwater and drinking water contamination and threat of direct contact.	$15K	Approximately 168 cubic yards of soil and debris were removed. Action completed.	$15K IR EPA

Date of Decision	Date of Request	Name and Location	Description of Situation	Chemicals Involved	Threat	Requested Amount	Actions	Approved Ceiling Type Removal Lead Agency
10/28/82	10/28/82	Hixon Plating Bushnell, IL	Two plating company buildings, abandoned 8/82. Contain leaking drums and acid mixing tank. Residential area with mobile homes 50 yards from site.	Cyanide, acids.	Air, direct contact, fire or explosion hazard should contents of drums become mixed.	$30K	All wastes have been redrummed and are on trucks awaiting analysis results before disposal. Action ongoing.	$30K IR EPA
* 10/29/82	10/29/82	Floating Drum Los Angeles, CA	55 gallon drum floating in L.A. Harbor.	Unknown. Aqueous materials with pH7; non-flammable.	Surface water contamination.	$4K	USCG action. Drum removed and contents disposed. Action completed.	$4K IR USCG
* 11/5/82	11/5/82	Beached Drum Cocoa Beach, FL	30 gallon plastic drum of hazardous material washed up on beach.	Calcium arsenate.	Surface water contamination.	$2K	Removal and disposal of drum. Action completed.	$2K IR USCG

SUPERFUND REMOVAL REQUEST SUMMARY

Disposition Date	Location/ Incident	Materials, Involved	Threat	Actions Taken	Funds Obligated
11/24/82 IR/EPA	Danville Plating Co. Danville, IL Abandoned electroplating facility, composed of one deteriorating building, vats, and 20 drums.	20 ppm cyanide in caustic acid, metals.	Air and soil contamination; direct contact.	RA authorized funds on 11/24/82 and work began on 11/25/82 to remove caustic waste from tanks and dispose of, neutralize buildings, and secure drums of acid. Ceiling increase of $30K approved on 12/8/82. Action completed 12/15/82.	
* 11/29/82 IR/CG	Unknown Chemical Discharge Tampa, FL Drainage ditch behind steel co. contaminated with unknown substance.	Unknown.	Surface water and soil contamination; direct contact threat.	Area containing material bermed off and posted. Analysis of samples indicated material was aged volatile organics. Material was determined to be non-hazardous and released from containment. Action completed on 12/3/82.	4.3 K
12/3/82 IR/EPA	A&F Greenup, Greenup, IL (NPL-64) Rains caused lagoon to rise to unsafe levels at oil reclamation facility.	Oil/PCB's, possibly C-56.	Threat of overflow or dike failure.	Immediate removal ($63K ceiling) completed in FY82. The OSC requested and received RA approval of 50K to pump down lagoons after torrential rainfalls. However, the six-month limit expired on 11/11/82. A post-action approval request of an exemption from the six month limit was approved by the deputy administrator 12/30/82. Enforcement has requested that remedial process be put on hold as settlement is near. Cooperative Agreement application submitted in 10/82. If remedial process is started up again, it will take 3-6 months for contract to be awarded. Action Completed 12/8/82.	

SUPERFUND REMOVAL REQUEST SUMMARY

Disposition Date	Location/ Incident	Materials Involved	Threat	Actions Taken	Funds Obligated
* 12/10/82 IR/EPA	Flood Damage St. Louis, MO Approximately 450 55-gallon drums, 100-200 propane tanks, 50-100 pressurized tanks, and 50-100 misc. tanks are scattered in backyards, fields, and a playground along the Merrimac River.	Cyanide, nitric acid, hydrochloric acid, propane gases.	Surface water contamination, threat of direct contact, and threat to ecologically sensitive area.	Clean-up action underway. Approximately 170 drums were sorted and staged for disposal. Responsible parties have removed all but 40 drums from the staging area. OSC is investigating disposal options. Case pends.	50.0 K
* 12/13/82 IR/EPA	Garage Fire Glenside, PA A row of rented garages caught fire and burned. Five chlorine gas cylinders were discovered on fire, two were leaking. 15 fire fighters and 5 policemen hospitalized with exposure.	5 cylinders of chlorine gas.	Air contamination and fire hazard.	Cylinders secured and removed. Action completed 12/15/82.	20.0 K
* 12/18/82 IR/EPA	Pembroke Pines Hollywood, FL Midnight dumping of drums adjacent to inland canal.	754 55-gallon containers of chlorinated lime.	Surface water and soil contamination; direct contact threat.	Removal and disposal of all drums. Action completed 12/19/82.	0.0
12/27/82	Harrison Co. Cynthiana, KY 7-acre site containing lagoon and deteriorating drums. Surface runoff discharges into pond, then to creek. Site accessible to residents who are exposed to vapors.	30 different organic compounds including akylamines, toluene, xylene, ethylbenzene, napthalene, benzene, acetic acid, phenol, cresol, cyclohexanane, methylbutylketone, dimethylphthalate, and trimethylcyclohexane.	Direct contact threat; surface water, soil, and air contamination; fire/explosion hazard.	Justification for limited competition signed by Hedeman 1/11. Evaluation of technical aspects of proposals from 3 companies is underway. Draft of state contract is expected to be in the HQ week of 2/11/83.	

SUPERFUND CASES

Question: Please list all law suits which have been filed under the civil authorities of the Superfund law since February 1, 1981. Please indicate whether suit has been filed against the Ralston-Purina Corporation to recoup Federal expenditures made in response to that emergency. If suit has not been filed, please explain why not and provide a certain date by which it will be instituted.

Answer: The following is a list of all the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) related cases filed since February 1, 1981.

Chem-Dyne Corporation
Holder Corporation
National Lead, Inc.
Roadside PCB Spills
Velsicol Chemical
Westinghouse Electric

With regards to Ralston-Purina Corporation no CERCLA response or remedial actions were taken at the site. Accordingly, at present, we do not intend to initiate a Section 107 Cost Recovery Action.

However, we did seek and obtained a criminal conviction for violation of Section 103 of CERCLA and the court assessed the maximum $10,000 penalty for the offense.

STATE GRANTS UNDER THE CLEAN AIR ACT

Question: The budget you have proposed for fiscal year 1984 includes a reduction in funding for States for administration of the Clean Air Act under Section 105 of the Act. That reduction is in the amount of 17 percent and comes at the same time that the Agency has announced its objective of getting States to accept greater delegation of responsibilities under the PSD, NSPS and hazardous air pollutant programs.

What has led the Agency to conclude that both these objectives -- reduced Federal funding to States and increased State responsibilities -- can be achieved simultaneously?

Answer: A combination of several factors should allow the States to continue essential programs and to assume certain additional responsibilities during fiscal year 1984.

The principal factors which we believe justify the Agency budget are:

(1) Several traditional activities or programs have been completed or are nearing completion, are in transition or are at a lull (low point) in required work and support. These produce both temporary or permanent program savings freeing resources for other efforts. For example:

- The required State Implementation Plans (SIP) for the ozone/carbon monoxide areas granted attainment date extensions have been prepared and submitted by the States. The development of strategies for these areas has necessitated the expenditure of significant resources during the past several years. While certain strategy modifications or regulatory development actions are still necessary in some of the areas, resource requirements should be less than those expended for development of the major strategies.
- Additional States will be completing the development phase for motor vehicle inspection/maintenance (I/M) programs which are required in the ozone/carbon monoxide extension areas. Consistent with Agency policy, the operating programs are being supported by test or inspection fees and not grant resources.
- It is anticipated that the majority of the areas classified as nonattainment in 1978 will meet the December 31, 1982, attainment deadline. This will reduce the need for further regulation development efforts in these areas.

In addition to reductions realized through completed or changing programs, more effective negotiations with States and refined priority setting during the negotiation process will improve the utilization of grant resources.

(2) Administrative steps to streamline, simplify or consolidate regulations will continue in fiscal year 1984. These should lessen the workload placed by the Agency on States responding to technical or procedural requirements and correspondingly reduce State costs.

(3) The Agency will continue and expand efforts placing increased reliance on existing State data, systems, and procedures thereby relinquishing certain of the Agency perogatives and review requirements. An example is the development and use by States of more generic programs for facilitating and approving emission trades. Another example is the possible use by States of elements of their operating permit programs for modifying or revising portions of the State Implementation Plan.

(4) States will be encouraged to identify and utilize alternative avenues for securing needed program resources. The development or expansion by States of user or fee systems is a prime example. While large scale increases in the development or expansion of fee system are not expected in fiscal year 1984, there is evidence that several States are giving serious consideration to fee systems for securing additional revenue for their programs and that modest increases in revenue are obtainable from such mechanisms even in the short term.

Question: The proposal to reduce funding to States is justified in part by relying on increased use of fee systems for permits required by the Clean Air Act. Has the Agency done an analysis to determine how many States now have fee systems; how much revenue is being generated at the present time by such systems; and, how much can be expected to be generated?

Answer: The Agency has collected some data on State permit fee systems. A report "Permit Fee Guideline" was published by EPA (EPA-450/2-81-003) in September 1981. The report reviews the national status of permit fees and presents examples of some permit fee systems. Information is currently being gathered to update the national status statistics. This effort should be complete by the end of March. Based on the information EPA has gathered, estimates were made that show $5 million in new permit fees will be collected by the States in fiscal year 1984.

Question: How does the Agency intend to see that the requirement in Section 110 of the Act for permit fees is complied with by the States?

Answer: The Agency can, through information exchange, the development of guidelines and policies, and through grant negotiations, administer Section 110(a)(2)(K) of the Clean Air Act which requires States to include a permit fee system in their SIP.

Questions for the Record Submitted by Senator Jennings Randolph

FEDERAL VERSUS STATE ADMINISTRATION OF STATE PROGRAMS

Question: Governor Jay Rockefeller, Chairman of the National Governor's Association Committee on Energy and Environment, has indicated that most States prefer to manage Federally mandated environmental programs. But State grant support is crucial to enable States to maintain sound programs.

Has EPA studied the costs of administering State programs at the Federal level compared to the costs of State managed programs?

Answer: We have information gathered during January, 1983. In general EPA devotes fewer workyears to administering a State program than the State would under delegation.

Nevertheless, the cost tends to be higher. If Wisconsin, an average-sized State, were to return delegation, for example, EPA would incur an additional $12,000 in the Underground Injection Control Program, $147,000 for Public Water Supply, and $320,000 for Water Permits. The costs would be less if EPA were to shift funds away from States without delegation into contract funds.

Our analysis reflects net marginal increase to EPA's Regional staff. In addition, however, we would expect substantial startup costs both in the Regions and at Headquarters.

The basis for our costs is an analysis of EPA's workload models, which are used to distribute budgeted resources among the Regions. They are not used to predict future funding levels.

Because EPA has little experience in operating programs formerly operated by a State, the costs have not been field tested.

EPA is continuing to study the question and hopes to summarize it by the end of the summer.

EPA ADMINISTRATION OF IDAHO AIR PROGRAM

Question: Governor Jay Rockefeller, Chairman of the National Governor's Association Committee on Energy and Environment, has indicated that most States prefer to manage Federally mandated environmental programs. But State grant support is crucial to enable States to maintain sound programs.

Has the Agency assessed the costs of administering the Idaho air program since the State returned management responsibility?

Answer: The Agency has made an estimate of the costs that were incurred in operating the Idaho air program. For fiscal year 1982, the Idaho air program was scheduled to receive approximately $580,000 in grants under Section 105 of the Clean Air Act. Idaho's expected match for the Federal funds would have equaled $240,000. EPA contracted for the operation of the Idaho air program at a cost of $862,000. The Agency did not operate State air-related programs (such as control of field burning) for which there was no Federal authority. Also, EPA reassigned 2 employees and hired 3 temporary employees to assist in administering the Idaho program. The cost of these employees was about $150,000 for fiscal year 1982.

ACCELERATION OF CONSTRUCTION GRANTS

Question: The Administration has indicated it will support a proposal to hasten construction of public works projects that are already planned and funded.

Is the Agency prepared to accelerate the Construction Grants funding process accordingly?

Answer: With funds already appropriated by the Congress, the Agency is already encouraging States to achieve obligation commitments and move projects into construction as soon as possible. These efforts are having a significant effect on jobs creation as well as improvements in water quality.

Based on the most current projections, the Agency estimates that, at most, an additional $1 billion could be obligated in 1983 for the construction grants program. Although the Agency would be in a position, if directed by Congress, to work with the States to bring about such an acceleration, the effect of the increase, in terms of jobs creation, would be minimal in 1983, with an additional 300 to 400 jobs created.

Accordingly, we do not feel that the construction grants program should be included in any proposal to hasten construction of public works that are already planned or funded.

SUPERFUND REGULATIONS

The Comprehensive Environmental Response, Compensation and Liability Act requires promulgation of regulations for natural resource damage assessment. These regulations were due last December.

Question: What is the status of work on these regulations?

Answer: Executive Order 12316 delegates to the Department of Interior responsibility to prepare regulations for assessing damages for injury to, destruction of, or loss of natural resources resulting from the release of oil or hazardous substances (CERCLA §301(c)).

On January 10, 1983, the Department of Interior published an advanced notice of proposed rulemaking (40 CFR II, 48 Federal Register 1084 et seq.). This Notice was a request for information from State governments, research institutions, nonprofit organizations, individual citizens and other Federal agencies to enable the Department to develop the regulation. The Notice did not include a schedule, beyond the February 15, 1983 close of the comment period. EPA's fiscal year 1984 budget does include resources (personnel and monetary) for damage assessment.

Question: Have the costs of developing these regulations been estimated?

Answer: As stated above, the Department of Interior has responsibility for promulgating the assessment regulation. The Department has not provided EPA with a current estimate of the cost of developing this regulation.

Question: Are any of the Superfund research and development funds being used to support this work?

Answer: Superfund research and development funds are not being used in direct support of Department of Interior's efforts to develop the damage assessment regulation. However, EPA will be providing indirect support in the form of consultation and information from numerous Agency sources. The complexity of the issue of damage assessment and the relationship of this process to the natural resource damage claims procedures, which EPA is developing, requires interagency cooperation.

INNOVATIVE AND ALTERNATIVE WASTEWATER TREATMENT TECHNOLOGY SUPPORT

Question: In the past, EPA has maintained cooperative agreements with universities and other private facilities for the evaluation of Innovative and Alternative wastewater treatment technologies. Institutions such as West Virginia University have assisted States and municipalities by supplying information about new engineering innovations and processes.

Does the Agency plan to continue support for this activity?

Will funding levels to these institutions change compared to last year?

Answer: The Agency does plan to continue support for this activity. There are two active cooperative agreements with Universities relating to Innovative and Alternative Technologies. One of these agreements is with the University of Cincinnati for conducting engineering evaluation of technologies applicable to managment and treatment of small wastewater flows. The second is an agreement with the West Virginia University for the operation of the Small Flows Clearinghouse. This agreement has been active for several years and, although resource constraints have required a reduction in support level from the initial implementation, funds in fiscal year 1984 will only be used for continuing the Small Flows Clearinghouse. Support will continue at the same level as in fiscal year 1983. Total annual cost is $125 thousand, of which EPA will provide $112.5 thousand.

FUNDING FOR WATER QUALITY APPROACH

Question: The water quality based standards that the Agency has proposed would place a substantial burden on the States to develop an extensive amount of data.

How does the Agency propose for States to fund this work?

Answer: The Agency is continuing to implement the technology based approach by proposing and promulgating BAT guidelines. The Agency is committed to the technology based approach. In addition, the Agency is ready to begin implementing the water quality based approach where additional controls are necessary. EPA is encouraging the States to assign priorities so they can focus their planning, monitoring, and standards resources on priority waterbodies and thereby make the maximum environmental gains. Setting priorities is a basic management tool and a necessary step for States to make the best use of limited resources in managing for environmental results. It is also a basic first step in the implementation of the water quality based approach to pollution control. We encourage States to identify priority waterbodies--that is, waterbodies for which pollution abatement and control decisions are most needed to prevent or reverse the impairment of a designated use--and to organize State efforts to focus on these watrbodies.

Besides applying priorities, EPA is also strongly encouraging States to develop local cooperative monitoring programs as another way to obtain maximum benefit from limited resources. We encourage States to involve local groups, dischargers, and other Federal agencies in cooperative monitoring programs to implement the water quality based approach. Of course, we and the States will insist on adequate quality control procedures, and States will have the responsibility to interpret the data.

Additional resources for water quality program related work were also made available through Section 205(j) of the 1981 Construction Grants Amendments. States may request that the Agency set aside 205(j) grant reserves to the sum of 1% of authorized construction grants funds or $100,000. Although our data are still preliminary, States indicate that they plan to use this money for detailed reviews of their water quality standards, and to conduct the type of scientific and technical analyses we recommend.

GOALS OF THE CLEAN WATER ACT

Question: Would you please comment on the concept of changing the goals of the Clean Water Act through Agency regulatory revisions and budget cuts, as is evidently the case with water quality standards.

Answer: The Agency will not recommend a statutory change to the goals of the Act. Moreover, our regulatory programs reflect our commitment to these goals. The Agency's commitment to the technology-based approach is reflected by the issuance of BAT guidelines. The Agency's interest in the water quality based approach to pollution control is further indicative of that support. The essence of this concept is to provide more stringent effluent controls, and nonpoint source controls, to reduce stream loadings beyond that which will be achieved with technology based limits. In addition, the Agency continues to support a non-degradation policy. Finally, the Agency is requesting a 14.3 permanent workyear and $1,599,700 increase to promote the standards program.

INDUSTRY RELOCATIONS

Question: Under the water quality based standard approach, what will deter industry from seeking to locate in an area with relatively lenient standards?

Answer: The Agency is developing nationally uniform technology based standards for industrial discharges. We have now promulgated 12 BAT guidelines in accordance with the court schedule. Industry must meet these national standards. If State water quality standards are not met after the application of these nationally applicable effluent standards, than water quality based effluent controls may be required. These additional controls may not be required for all stream segments, depending on such factors as industrial density and dilution capacity. However, the probability that an industry will go "forum shopping" to relieve itself from pollution control investments is extremely doubtful, given the wide variety of other factors contributing to profitability (e.g. skilled labor availability, transportation networks, market proximity, taxes). In addition, should a facility relocate it will be subject to New Source Performance Standards (NSPS) guidelines which are often more stringent than BAT guidelines. Moreover, the Agency does not believe that one State will back off from its commitment to its water quality standards because another State has achieved its standards with technology-based effluent limitations.

Question: What will deter States from developing standards that will make this option attractive to industry?

ANSWER: All industries within a (sub)category must meet the same nationally applicable effluent standards. The only possible cost advantage that might occur is that if one State needed to adopt water quality based effluent controls to achieve its standards and another did not need to resort to these post technology based controls. A situation such as this may occur as a result of factors such as industrial development density or dilution capacity. However, the cost differential of these controls will not be significant enough to induce "forum shopping" by industries. In addition, if a facility did relocate it would be subject to more stringent nationally uniform effluent limitations for new sources. The States are committed to clean water and their actions indicate this fact. Moreover, the Agency's review and approval role over State standards actions will insure that State policies have a measure of national consistency, although allowing some flexibility to account for local conditions.

FEES FOR OCEAN DISPOSAL

Question: The water quality budget discusses a user fee system to recover costs associated with processing ocean dumping permits. Has the Agency drafted a legislative proposal and if so what are the main features?

Answer: As you know, the Marine Protection, Research and Sanctuaries Act (MPRSA) already authorizes the Agency to recover permit processing costs. The Agency's House testimony last summer expressed our support for a user fee to recover the costs of site designation, monitoring, and enforcement. OMB is currently reviewing an Agency proposal. The Agency will forward a proposal to Congress once a formal Administration position has been developed.

FY 1984 FULL-TIME EMPLOYEE LEVEL

Question: The proposed fiscal year 1984 full-time employee level is five percent less than the current level. Does the Agency plan to achieve this level through a reduction-in-force?

Answer: If our fiscal year 1984 request is accepted and attrition continues at a normal rate, it is our expectation that EPA will not have to RIF in fiscal year 1984 to meet ceiling.

OCEAN INCINERATION

Question: The Agency proposes to increase work on criteria for ocean incineration permits and to designate new sites for this purpose. Does the Agency anticipate that ocean incineration activity is going to increase in the near future?

Answer: The Agency proposes to issue additional guidance and initiate criteria development for ocean incineration permits. The Agency expects to receive an increase in permit applications from incinerator vessel operators for incineration at-sea of hazardous chemical wastes. Presently there is one EPA-designated ocean incineration site in the Gulf of Mexico. A proposed North Atlantic incineration site is in the final steps of the designation process. In addition, the Agency is considering the evaluation of an additional ocean incineration site in the Pacific. The designation of these additional incineration sites are being requested by firms interested in building incineration ship and port facilities. Two new incineration vessels are currently under construction and are expected to be fully operational by 1984.

EPA and the scientific community believe that incineration at sea is an environmentally sound and acceptable method of disposing of hazardous chemical wastes.

Question: Has industry indicated that ocean incineration is an attractive option?

Answer: Industry has expressed considerable interest in this disposal option. Ocean waste disposal incineration is an attractive option because it effectively destroys liquid hazardous wastes and it can be accomplished in areas remote from populated areas.

Chemical Waste Management has recently launched a second incineration vessel, the VULCANUS II, which is undergoing test burns in the North Sea. The Tacoma Boat Company is currently building two vessels with a Maritime Administration guaranteed loan for ocean incineration which is planned for completion in 1984.

Question: What substances is the Agency evaluating as potentially suitable for ocean incineration?

Answer: The Agency is evaluating liquid hazardous chemical wastes such as organochlorine compounds, specifically, polychlorinated biphenyls and DDT.

NEPA COMPLIANCE

Question: The budget shows the formation of a new NEPA compliance unit.

What are the advantages of consolidating activities in this way?

Answer: In our 1984 budget request, we consolidated the two program elements which deal with assuring compliance with the requirements of the National Environmental Policy Act (NEPA). NEPA Compliance-Municipal Wastewater Treatment Facility Construction ensures environmental assessments are made on projects prior to construction. NEPA Compliance-EIS Preparation/New Source ensures decisions on National Pollutant Discharge Elimination System (NPDES) permits are based on environmentally sound and cost effective analyses consistent with NEPA. We feel consolidating these elements is a more logical means of supporting two activities which are required by the same NEPA legislation.

Will personnel associated with NEPA wastewater facility compliance work be shifted accordingly?

Answer: The resources and ceiling for personnel which were formerly supported by the NEPA wastewater facility compliance program element are now presented in the budget in the newly created NEPA Compliance program element. There will be no impact on operating program personnel and no physical movement of personnel will result. The consolidation is purely a budgetary change.

REGIONAL MANAGEMENT AND SUPPORT WORKYEARS

Question: The total workyears allotted to Regional Management and Support has declined from 741.1 in fiscal year 1982 to 629.6 anticipated in fiscal year 1984. This represents a decrease of 15 percent.

How many of the employees affected by this reduction have been reassigned through Intergovernmental Personnel Agreements?

Answer: None of the Intergovernmental Personnel Agreements initiated in fiscal year 1983 have involved employees in the Regional Management and Support area.

Question: On a region by region basis, please show numerically how this decrease has been distributed.

Answer: In the fiscal year 1984 President's Budget, the regional workforce appears as a regional total. The workload analysis process, which is scheduled for completion during the spring of 1983, determines the distribution of the 1984 workyears among the 10 regions. At that time we will be able to show the reduction to Regional Management and Support on a region by region basis.

Questions for the Record Submitted by Senator Chafee

RESOURCE CONSERVATION AND RECOVERY ACT

NEED FOR ADDED RESOURCES

As you know, the Committee will consider amendments to the Resource Conservation and Recovery Act (RCRA) this year. I understand that the Agency is in the process of developing a bill also.

Question: Have you done any resource analyses to determine the added dollars and people that might be necessary to initiate the new tasks required by the bill you may transmit or the bill that the Committee will consider? I would appreciate your submitting for the record the Agency's assessment of what additional resource requirements will be necessary to accommodate the activities that must be implemented when the amendments are enacted.

Answer: As the Agency is in the process of developing a bill to amend RCRA, there are a number of issues yet to be resolved. Therefore, it is too early to provide a reasonable estimate of additional resource requirements which will be necessary to support the implementation when the amendments are enacted.

SUPERFUND

CLEAN-UP LAGS BEHIND FUNDING LEVELS APPROVED

One of the major criticisms leveled at the Agency's Superfund program is that funding actually obligated for site clean-up actions lags far behind approved spending levels. Right now only a small percentage of the $210 million appropriated for this fiscal year has been expended.

Question: Why is the money not being spent more quickly?

Answer: Although the rate that money is spent is one indication of progress, it is not the main objective of the program. EPA is committed to ensuring that appropriated funds are spent on the most serious problems in a cost-effective manner. The process for deciding where and how much money is to be spent does require a lot of information and analysis, but reasonable progress is being made. In fiscal year 1982 the Agency obligated 82 percent of the funds that were made available for use. EPA is planning to obligate all of the fiscal year 1983 appropriation of $210 million by September 30, 1983.

EPA has already made the $10 million earmarked for §3012 activities available to the States through a regulation published in January; actual obligation and expenditure is dependent upon the receipt of applications from the States.

Major portions of funds will be committed through our major support contracts; prudent management requires that these funds be committed on a continuing basis throughout the year.

Question: How many sites have actually been cleaned up?

Answer: The Federal response has been completed at five sites:

Chemicals Metals Industries; Baltimore, MD
Walcotte Chemical, Greenville, MS
Luminous Processes, Athens, GA
Chemical Minerals, Cleveland, OH
Butler Tunnel, PA

All of these sites were on the Interim Priority List.

Question: How many States are actually spending Superfund money and at how many sites?

Answer: EPA has awarded Cooperative Agreements under CERCLA and the pre-Superfund authorities of RCRA for remedial action with 20 States covering 40 sites.

Question: What problems have arisen with States in expending funds?

Answer: Some States have had difficulty in utilizing funds made available through Cooperative Agreements for remedial response. One major problem has been procurement delays. States have not been able to quickly advertise and let contracts for the work that is to be done. In some cases there have been questions about what procedures must be used given that Federal money is involved. A second problem which has had to be faced in some instances is inability to obtain the needed easements or other legal authorizations required to get to or begin work at a site.

Question: Is the 10 percent State match standing in the way of getting sites cleaned up?

Answer: CERCLA requires that, for remedial actions and for planned removals, a State must assure funding of 10 percent for privately owned sites and at least 50 percent for sites that were publicly owned at the time of disposal. Only 22 States have established "trust funds." to cover remedial actions. In the remaining 28 States, an act of the legislature is required to provide the State match at each site.

EPA recently conducted a survey of the States having sites on the National Priority List and found that only a few have an available (but limited) appropriation or trust fund to provide the required match for undertaking Superfund remedial actions. In many situations available State match may be sufficient to undertake the planning of remedial actions but large appropriations by legislatures will be needed for the higher cost design and construction phases, which follow. In addition, a consideration of some significance to these States beyond the 10 percent or 50 percent match for Superfund remedial actions is the CERCLA requirement that they assume and ensure all costs of operation and maintenance at these sites.

Question: Press accounts have stated that the Agency is not moving aggressively to obligate all of the money in the Trust Fund soon enough to avoid premature cut-off of the industry taxes. How do you respond to this allegation? I presume you plan to spend up to the limit of funds available from the Trust Fund.

Answer: Taxes can only be prematurely terminated if the unobligated balance in the Fund exceeds $900 million on September 30, 1983 or September 20, 1984, and the balance is projected to exceed $500 million the following year. However, given current budget authority available in 1983 and our request in 1984 even if EPA obligated only a small portion of these funds we would not exceed the $900 million cap. Based on obligations of the full FY 1983 appropriation of $210 million and FY 1984 requested appropriation of $310 million and projected Trust Fund revenues during those years, the expected unappropriated balances on September 30, 1983 and September 30, 1984 would be approximately $371 million and $457 million, respectively. The Agency intends to obligate over the life of the program all the funds in the Trust Fund.

LITIGATION VS. SETTLEMENT

One of the issues which has been raised by the press recently is one which on its face seems to be a reasonable approach to getting sites cleaned up -- that is, whether the Agency seeks settlement from responsible parties at sites needing clean-up or pursues litigation to get clean-up.

Question: How are policy decisions made regarding litigation versus settlement?

In what circumstances would the Agency seek settlement?

Is there a routine procedure normally followed to reach decisions?

How do you determine the level of clean-up that is appropriate for a given site to reach agreement on settlement?

How does the Office of Solid Waste and Emergency Response participate in such decisions and how is the General Counsel involved in such decisions?

What part does the Department of Justice play in either reaching settlement or pursuing litigation?

When cases are settled out of court, what kind of agreement binds those who settle? What guarantee does the Agency have that the actual clean-up will be accomplished? How many cases have reached settlement? Are you satisfied with the results in these cases? Can you give us an example of such a circumstance where settlement was made and a site has actually been clean-up?

Do discussions regarding settlement normally include all the parties who disposed of hazardous wastes at a site? Why not? (The Seymour, Indiana site is one where only the larger generators who used the site were involved in closed-door negotiations on settlement).

Answer: Due to the intense interest of this program area by Congress, the public and this Agency, we have initiated a comprehensive review of all policies and procedures governing enforcement activities. We are reviewing existing policies and procedures and searching for gaps requiring the development of new directives.

We believe that piecemeal responses to problems in this critical and highly sensitive area are counterproductive to the effective implementation of the program. We want to, and will submit whatever information the Committee requests including responses to these questions, at the earliest possible date.

Questions for the Record Submitted by Senator Moynihan

ADVANCED UTILITY SIMULATION MODEL

Question: What is the budget request for the advanced utility simulation model for 1984?

Answer: The President's Budget submission contains $400,000 for the advanced utility simulation model (AUSM) in 1984.

Question: What is the schedule for completion of the model given that level of funding?

Answer: Testing of the AUSM will be completed in 1984. A national level model should be available on EPA's computer during the winter of 1984-85.

Question: If $400,000 is available, could the model be completed by Spring of 1984?

Answer: No. The $400,000 requested in 1984, as well as the resources invested in earlier years, will produce a peer reviewed documented model in the winter of 1984-85.

The model is to be a predictive device that will integrate most of the current State data and then predict variables within known limits. The major developmental work on the system is in gathering the requisite data, developing computer codes for each module and then integrating it all into a workable system. In order to allow time for peer reviewers to provide a critique after trial runs of the system the earliest date for completion will be the winter of 1984-85.

RESPONSES TO QUESTIONS FROM SENATOR BAUCUS

STATUS OF OFFICE OF RESEARCH AND DEVELOPMENT REORGANIZATION

Question: The Agency has been examining various proposals for reorganizing both the Headquarters office and the field components of the Research and Development program.

Have any decisions been reached on changes to the current organization?

Answer: No final decisions have been made regarding the reorganization of the Office of Research and Development (ORD) at Headquarters or its field components. A new organization structure has been conceptualized, and senior ORD officials are currently developing the details of the organizational units.

Question: Will any of the field components be consolidated or closed?

Answer: The proposed reorganization as currently conceived does not eliminate or consolidate physical locations of ORD field components but consolidates the management of the fourteen ORD laboratories into five. No physical moves of laboratories would occur. Only the reporting relationships would change.

GROUND WATER POLICY

Question· The Agency ground water policy was to have been issued last fall. What is its current status and have any funds for implementing it been included in the budget proposal?

Answer: EPA's Ground Water Policy is now being reviewed by the Cabinet Council on Natural Resources and the Environment.

The President's budget earmarks no resources specifically for the Ground Water Policy. However, the Drinking Water Abatement and Control programs include 4 permanent workyears at Headquarters for "work to pursue a consistent approach to ground water protection" and 10 permanent workyears in the Regional Underground Injection Control program to "provide ground water management advice to the States and other Federal agencies."

CONTROL TECHNOLOGY DEVELOPMENT INCENTIVES FOR THE PRIVATE SECTOR

Question: What incentives can the Agency suggest to encourage the private sector to step up control technology research and development efforts?

Answer: Several meaningful incentives now exist to encourage and facilitate increased private sector research and development in the field of environmental control technology. Legislative incentives, for example, are now provided to increase the allowable portion of construction grant awards in 1985 for Innovative and Alternative Technology use from 10 percent to 20 percent of the project cost. This provision is designed to reward new technology development and should facilitate increased activity in this area. The 1981 Economic Recovery Act, moreover, provides explicit tax credits for increased private sector research and development expenditures. Environmental control technology vendors are expected to respond favorably to this incentive.

Our own activities are now geared to the promotion of private sector research and development work. We provide technical workshops and conferences to assist industry in the recognition and evaluation of research needs for improved control to facilitate their widespread use. In addition, a large inventory of existing R&D products from the past 10 years of EPA support are now ready for private sector manufacture, marketing, and use.

Question: Wouldn't more stringent standards, for example, acid deposition or land disposal of toxic wastes, spur industry to develop technology to meet them?

Answer: As standards are revised, or new ones developed, we expect markets to exist for private sector initiatives in supplying improved, lower cost control technologies. As economic conditions improve, and the incentives mentioned above begin to take hold, the marketplace should react more favorably. The environmental control technology market is large, and successful firms that have reliable products to offer should realize increased sales in the years ahead.

EXPLORATORY RESEARCH

Question: The Agency proposes to delegate a portion of the administration of the Peer Review Grants program to the National Science Foundation. Further, a transfer of exploratory work from various programs to the Interdisciplinary category with a reduction in money for personnel is proposed.

Is the Agency policy toward support of exploratory work being revised?

Answer: The Environmental Protection Agency will strengthen the program through management changes. The transfer of funds from the individual programs to the Intermedia Program is one such change.

Question: Does the Agency plan to eventually turn the Peer Review Grants program over entirely to the National Science Foundation?

Answer: The Environmental Protection Agency (EPA) has changed its 1984 plans for the Exploratory Research Grants program since the 1984 budget was submitted to Congress in January. EPA now intends to retain full control over the administration and management of the 1984 Exploratory Research Grants Program.

In the budget submission, EPA indicated a transfer of $4 million, out of a total of $10 million, to the National Science Foundation (NSF) to administer part of the long-term Grants program. EPA had intended to assess, on a pilot basis, potential improvements that might accrue from the transfer of the entire Grants program to NSF. Since that decision was made, discussions between EPA and NSF have convinced both agencies that the transfer would not serve the long-term interests of the Grants program. The proposed pilot transfer of $4 million in 1984 has, as a result, been withdrawn. EPA will administer the entire $10 million 1984 program itself.

Question: References to long-term and exploratory research projects in the 1982 Research Outlook document are quite vague. This would further imply a hesitancy to commit to this kind of work. Please elaborate on this.

Answer: The Environmental Protection Agency (EPA) retains its commitment to Exploratory Research. We are funding the Grants and Centers in 1984 at the same level of funding as in 1983, $13.4 million. As we have stated previously, and in our 1984 Congressional Submission, we are making management changes to strengthen the program. Eliminating vagueness of the type you mention is one such change.

HEALTH RESEARCH ON NON-IONIZING RADIATION

Question: The Agency proposes to discontinue research work on the health effects exposure to non-ionizing radiation. Why is this program targeted for elimination?

Answer: The radiation health effects program is an area of research that we have invested $13 million in since 1976 without finding evidence of significant health effects. This program has been focused on support to the development of Federal Radiation Protection Guidance for radio frequency and microwave radiation which will be issued in 1984. Since the necessary work in support of this guidance will be completed by the end of 1983, no additional research will be needed in 1984.

Question: Is any other government or private sector facility conducting long-term studies on microwave and radio frequency exposure of the kind performed by EPA?

Answer: The radiation health effects area is an area where research efforts involving non-ionizing research exist in the National Institute of Environmental Health Sciences, the National Institute of Occupational Safety and Health, the Food and Drug Administration's Bureau of Radiological Health, the Air Force, the Army and the Navy. These agencies generally examine frequencies and problems related to their missions. Additionally, there is some research in the private sector and at universities; a portion of which are presently sponsored by EPA funding. And, of course, there is some research being conducted in this field by other governments. As an example of the volume of non-EPA research applicable to this field, less than 1/10th of the studies cited for the 1984 guidance's background health assessment document are studies performed by EPA scientists. While another small portion of the citations are based on work funded by EPA, most of the research cited was performed by other agencies, the private sector, universities, or other governments.

"RESEARCH OUTLOOK"

Question: The Science Advisory Board Executive Committee made a number of suggestions for improving the "Research Outlook" document which is intended to set forth a 5-year plan of Agency research activities.

Is the Agency acting on the criticism that the statement of research needs should not be subordinate to the research budget?

Answer: The EPA "Research Outlook" highlights the major scientific issues which the Agency is investigating in support of its regulatory function. Each of these issues is discussed in terms of the state of scientific knowledge, its relationship to the needs of EPA's regulatory agenda, EPA's research strategy and major research milestones. Only the latter two aspects -- the research strategy and major milestones -- are functions of the anticipated long-term research budget. Hence, the discussions of the Agency's regulatory information needs and the status of science in those areas are independent of the budgetary process.

The only areas which may be affected by budgetary consideration are the scheduling of our major milestones. This is as it must be. There must be some assumed resources constraints in strategic planning or the entire exercise would be meaningless.

In actuality, we are required by law to include the three budget growth scenarios "high, moderate and none." We would prefer not to be required to submit such speculative detail, and strongly agree with the Science Advisory Board's recommendation that these scenarios be deleted. This would, however, require Congressional action.

EPA's
FY 1984
BUDGET

January 31, 1983

EPA's 1984 BUDGET BUILDS ON THE ACHIEVEMENTS OF THE LAST TWO YEARS:

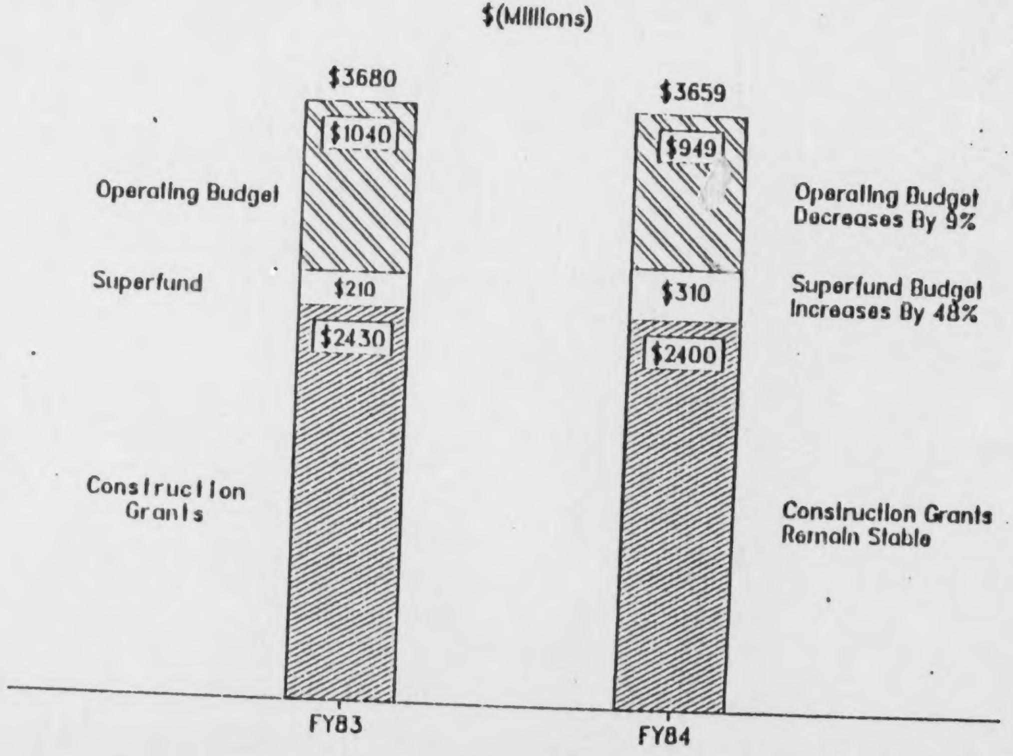
---Our Superfund program continues to increase

---Grants to States decrease as program simplifications and reforms take effect

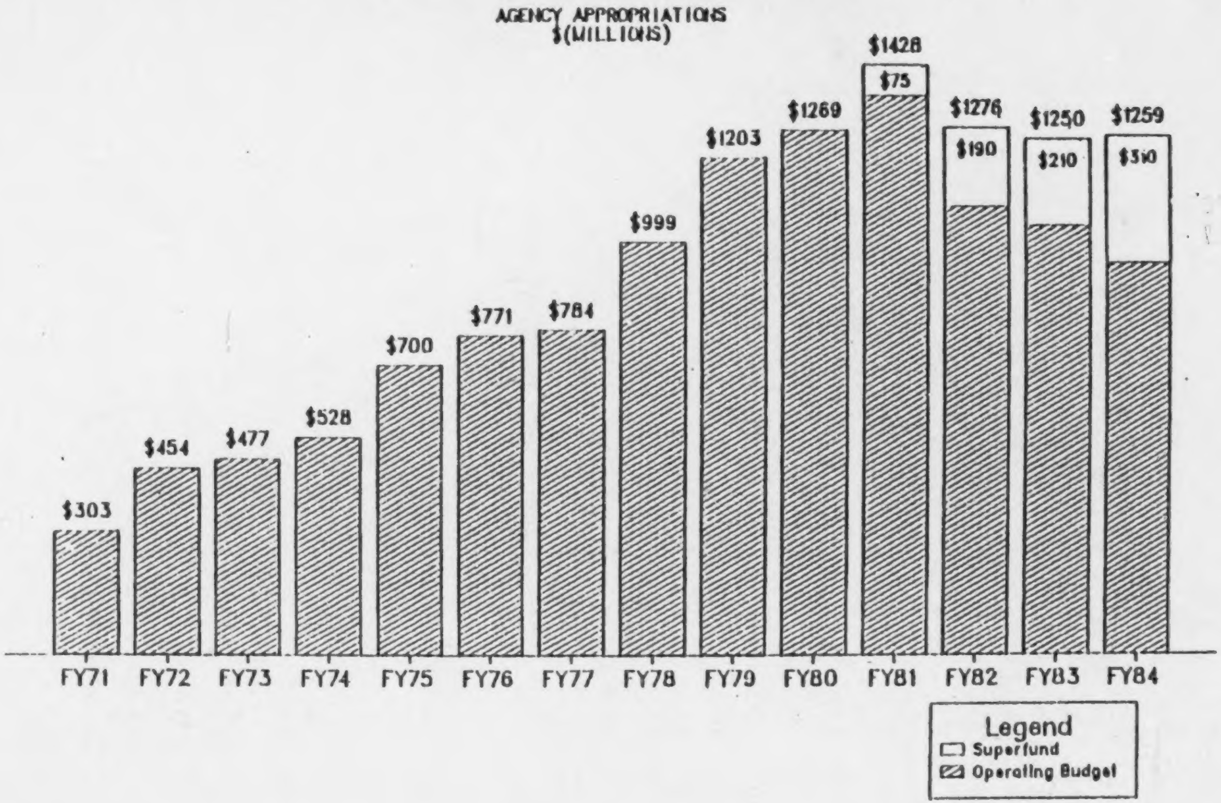
---Research decreases as we continue to focus on improving the science behind our regulatory policies

---Construction grants remain stable

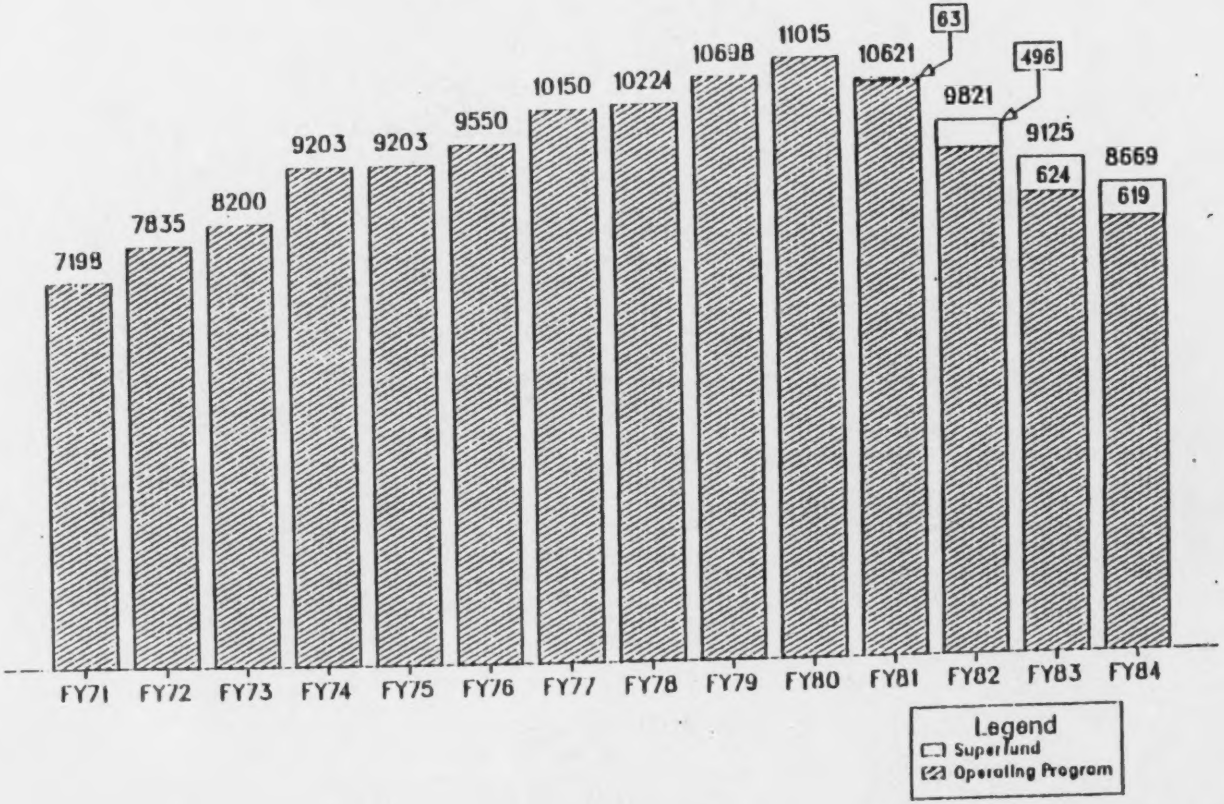
THE COMPOSITION OF EPA's FY1984 BUDGET REFLECTS A RELATIVELY LEVEL BUDGET WITH GROWING EMPHASIS ON SUPERFUND



THE SUPERFUND BUDGET INCREASES BY $100 MILLION AS OUR OPERATING BUDGET DECREASES

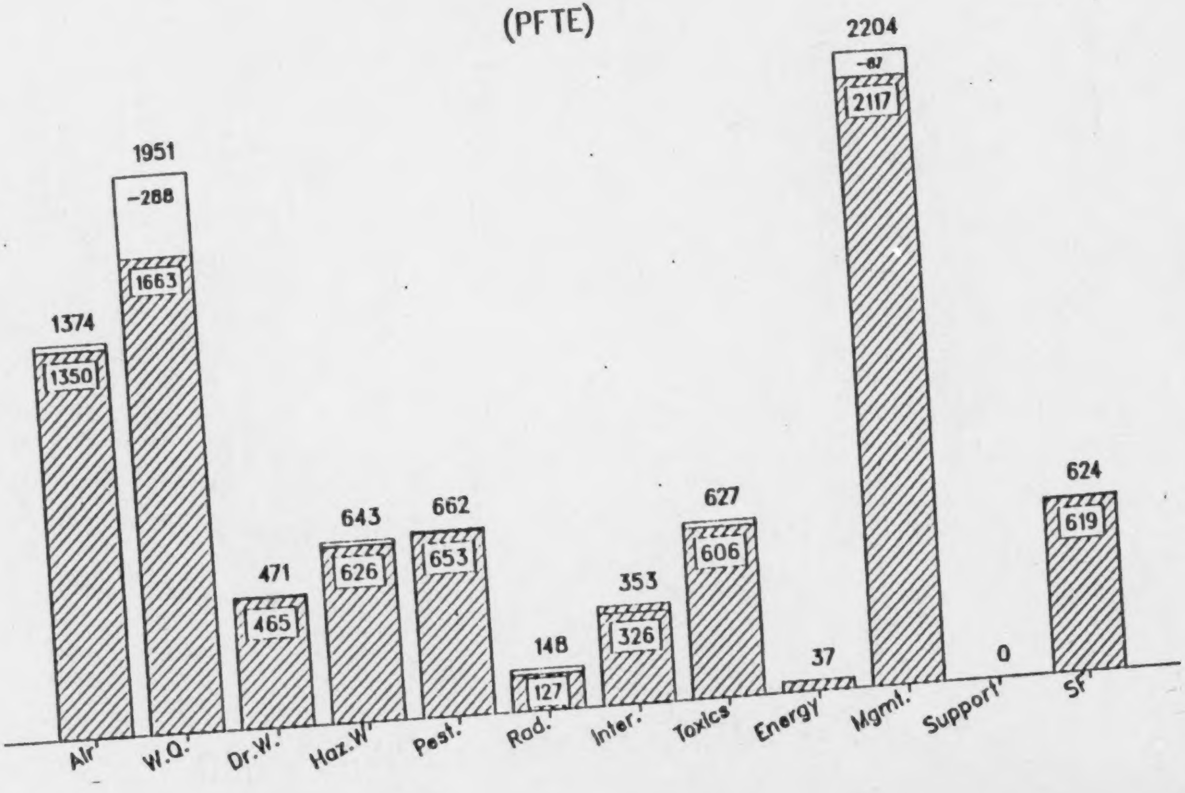


OUR PERMANENT WORKYEARS DECREASE BY 5%



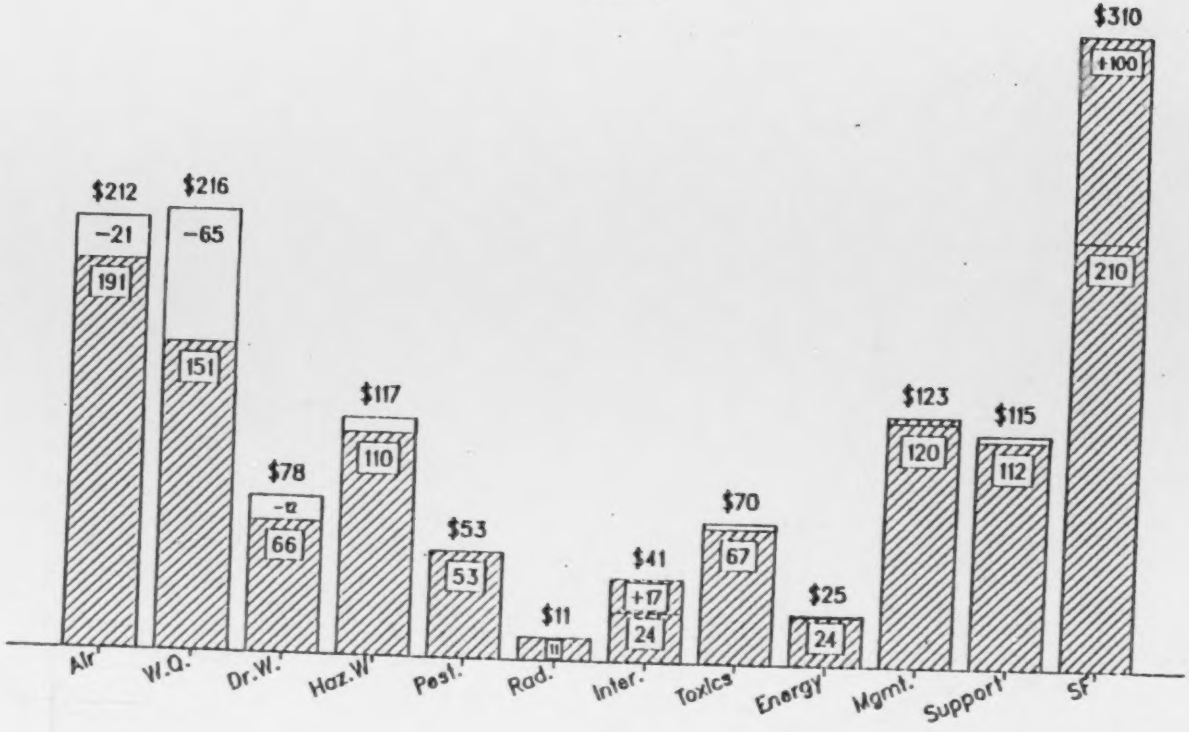
WATER QUALITY AND MANAGEMENT LOSE THE MOST PERMANENT WORKYEARS

(PFTE)

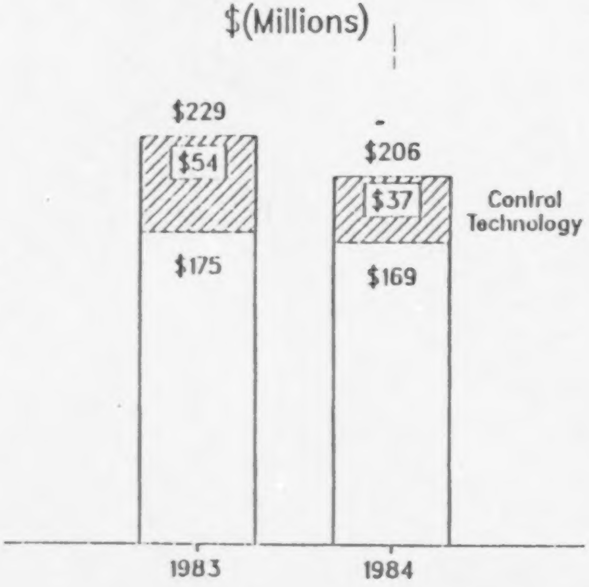


OTHER THAN SUPERFUND AND WATER QUALITY, MOST PROGAMS ARE RELATIVELY STABLE

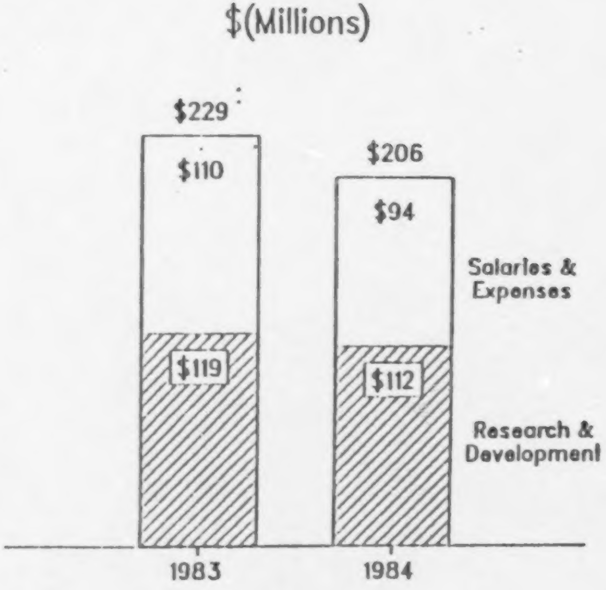
$(Millions)



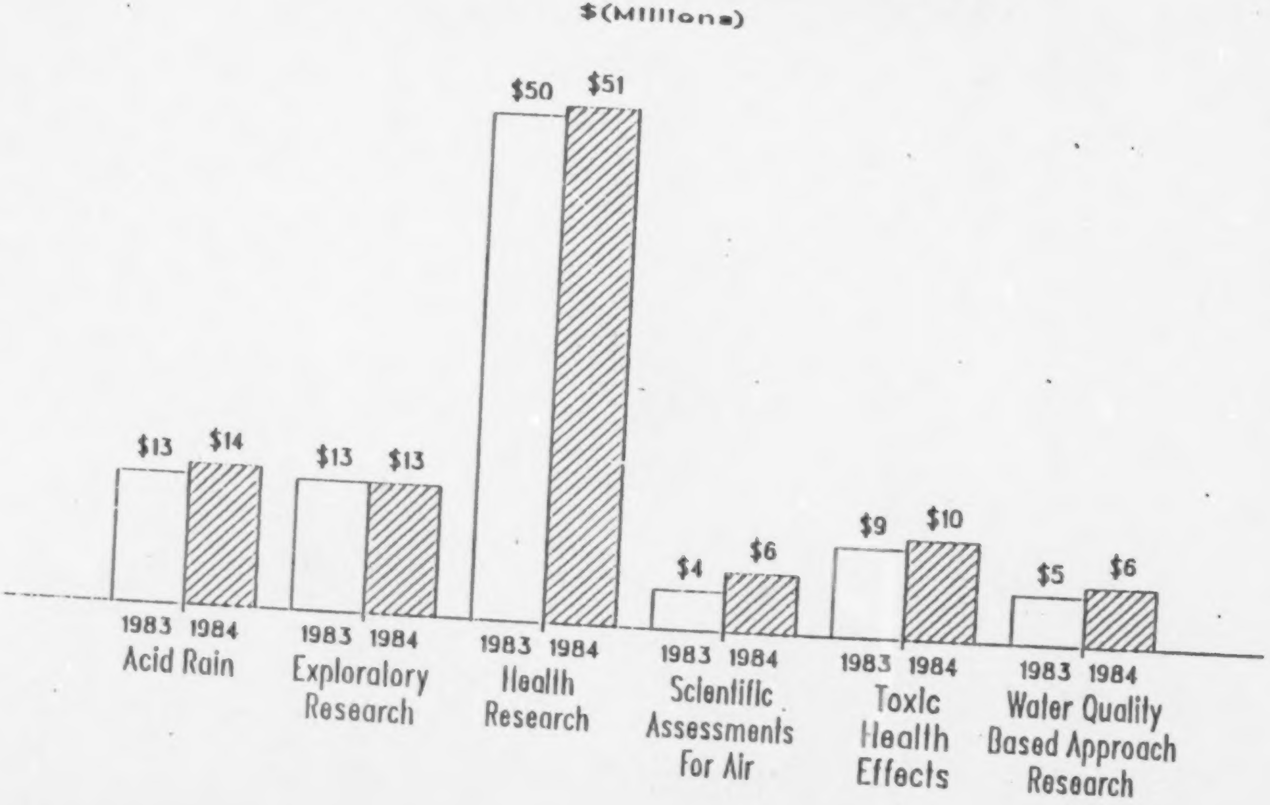
OUR R&D BUDGET DECREASES BY $23 MILLION, OR 10%, OF WHICH $17 MILLION COMES FROM CONTROL TECHNOLOGY DEVELOPMENT



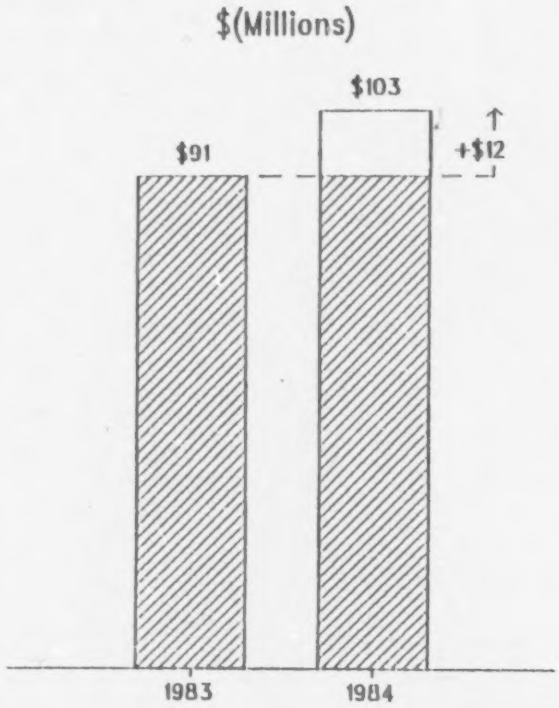
HOWEVER, THE R&D APPROPRIATION ONLY DECREASED BY $7 MILLION, OR 6%

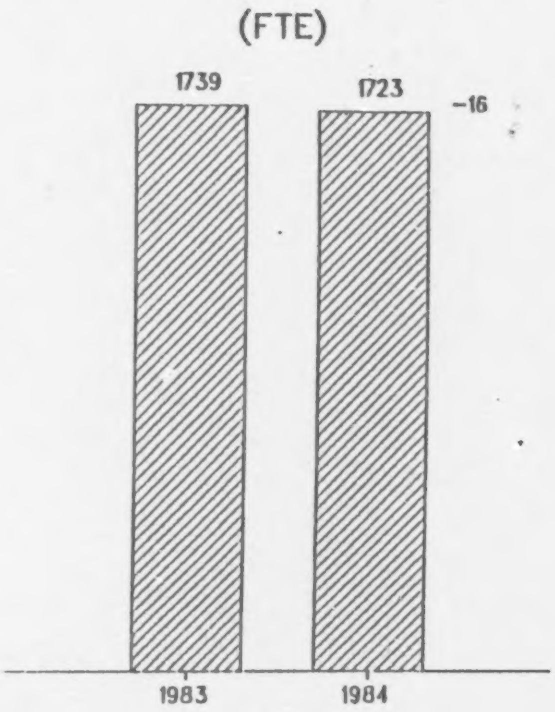


ACID RAIN AND OTHER CRITICAL RESEARCH WILL INCREASE OR BE MAINTAINED

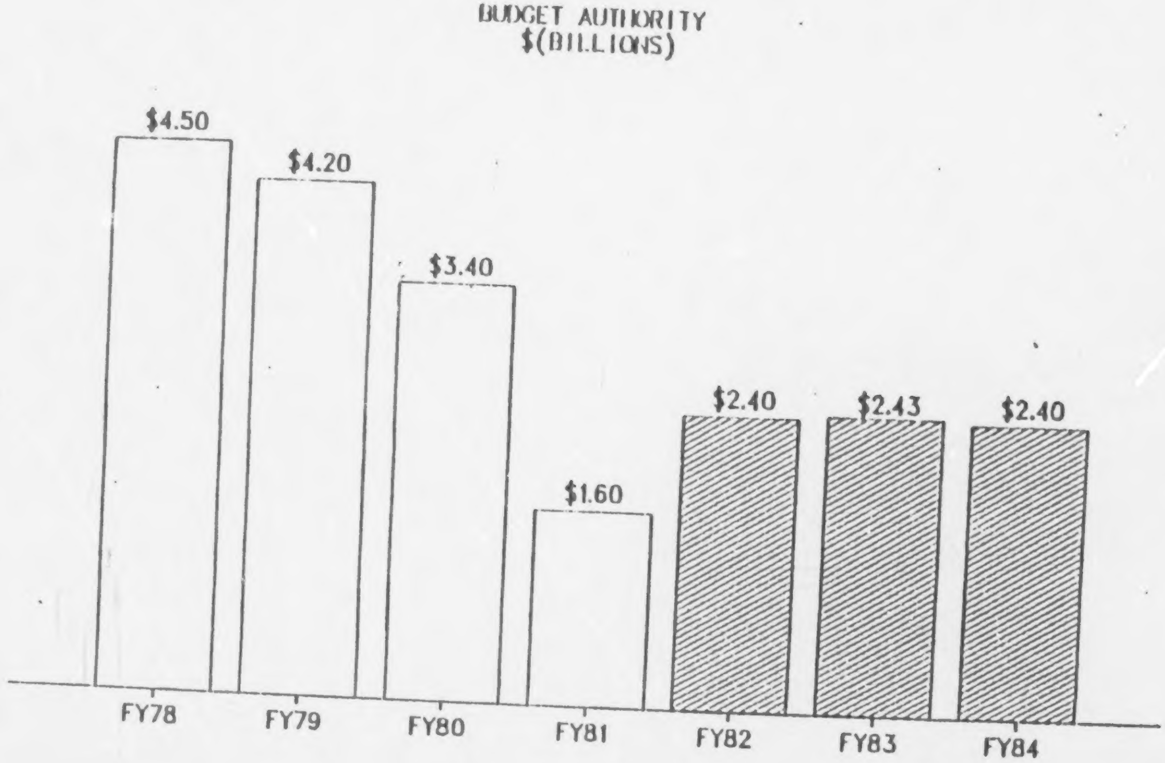


OUR ENFORCEMENT BUDGET INCREASES BY 13%





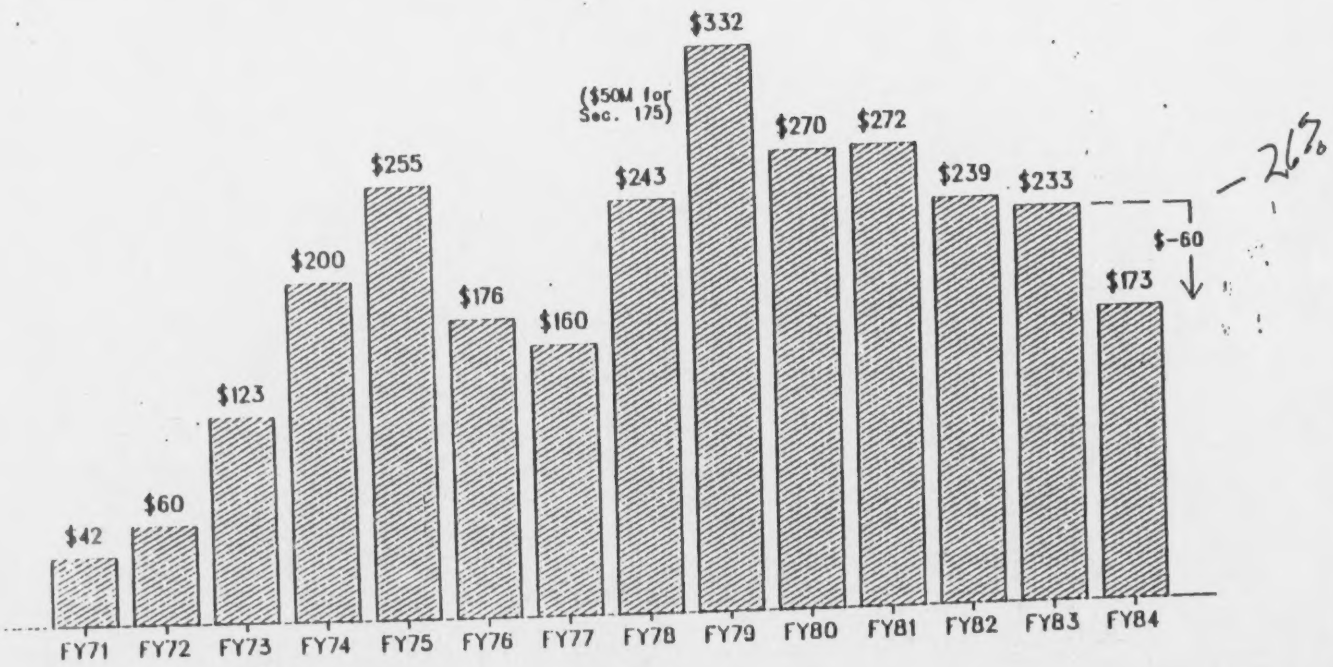
WE CONTINUE OUR COMMITMENT TO CONSTRUCTION GRANTS



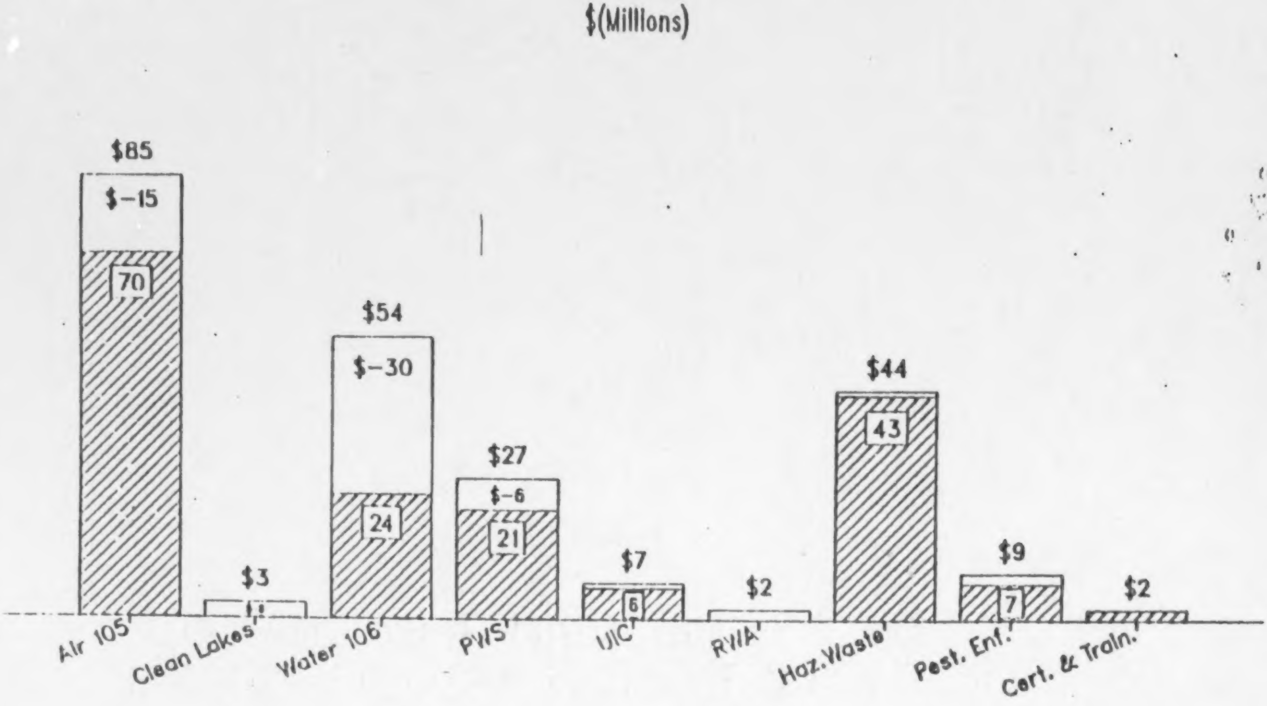
GRANTS TO STATES

THE 1984 STATE GRANTS REQUEST REFLECTS CONTINUING EFFICIENCIES AND ALTERNATIVE FUNDING SOURCES

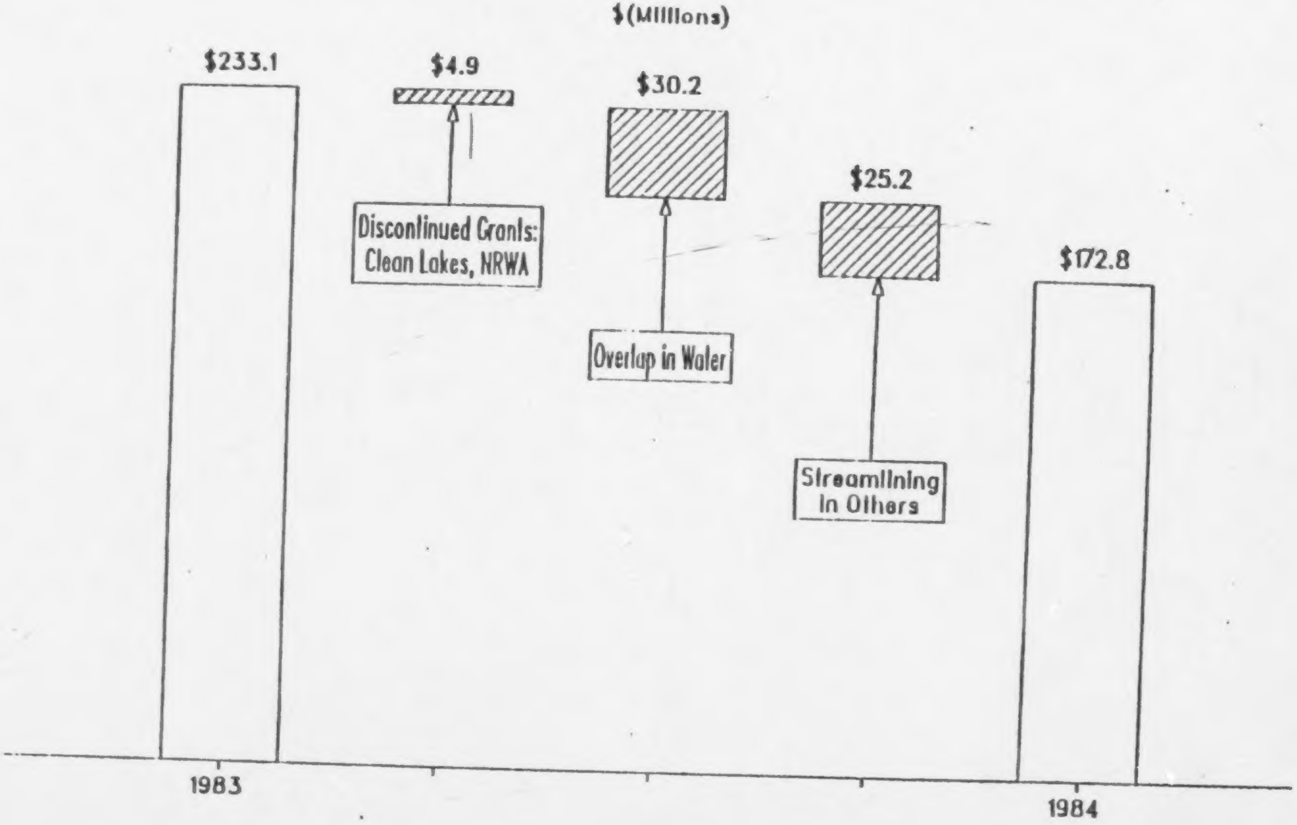
(State Grants In Millions)



THE WATER 106 GRANT IS SUBSTANTIALLY REDUCED AND TWO GRANTS ARE DISCONTINUED

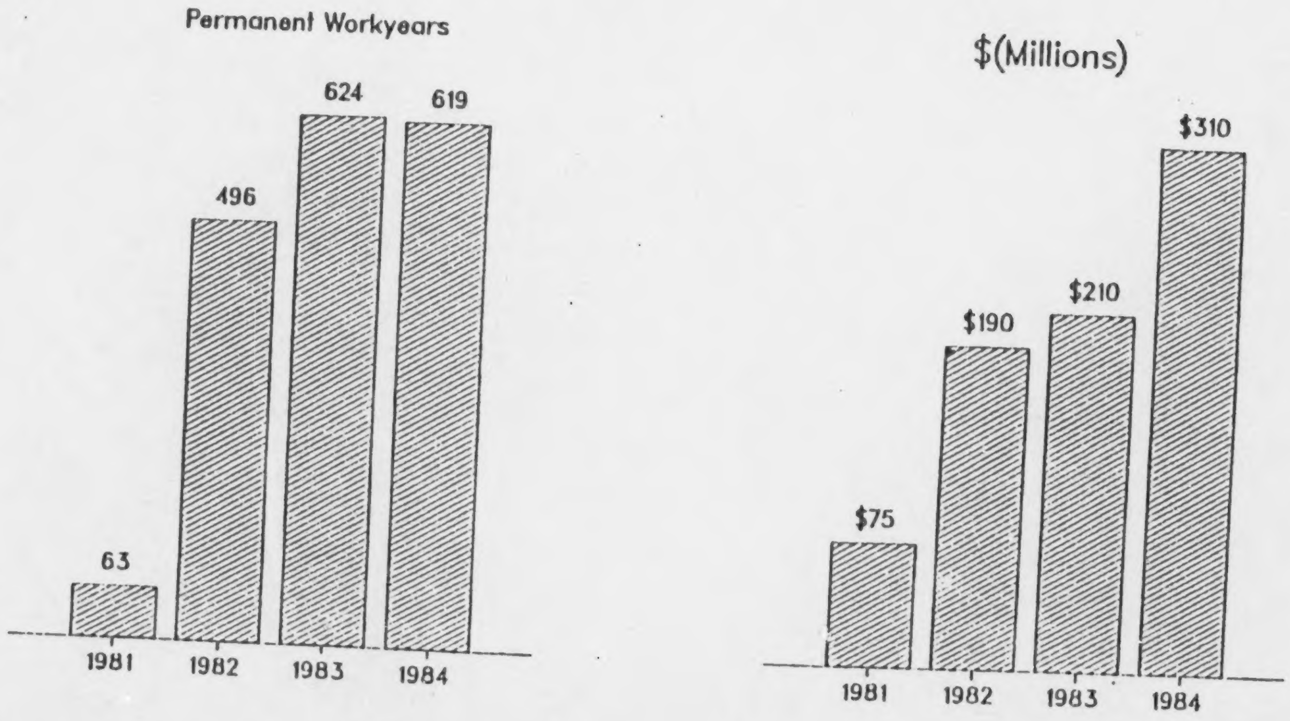


WE HAVE REDUCED GRANTS FOR THREE REASONS

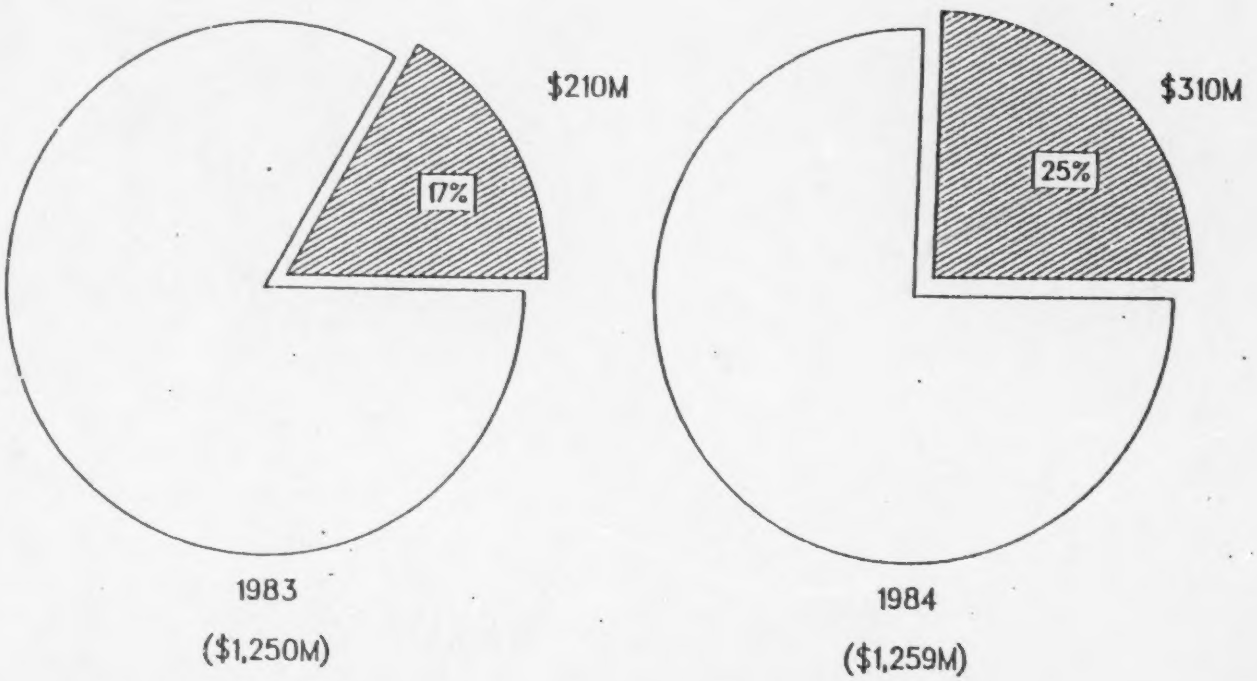


SUPERFUND

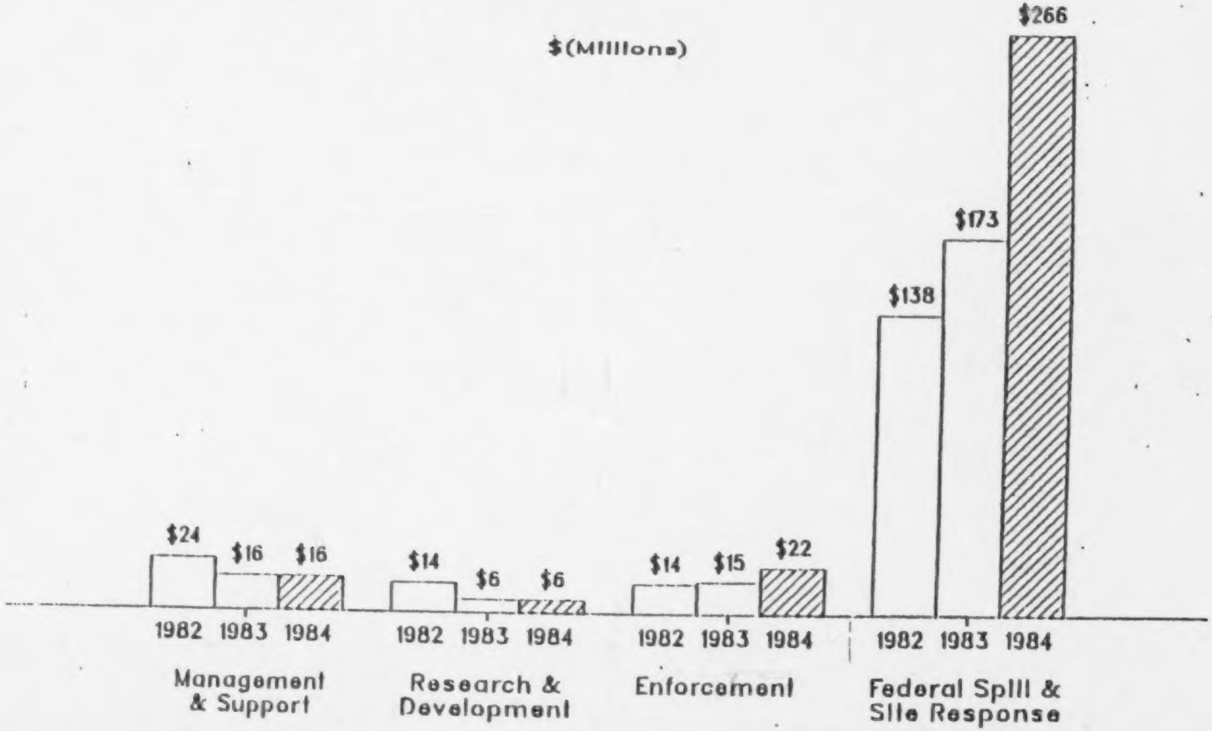
SUPERFUND CONTINUES TO INCREASE



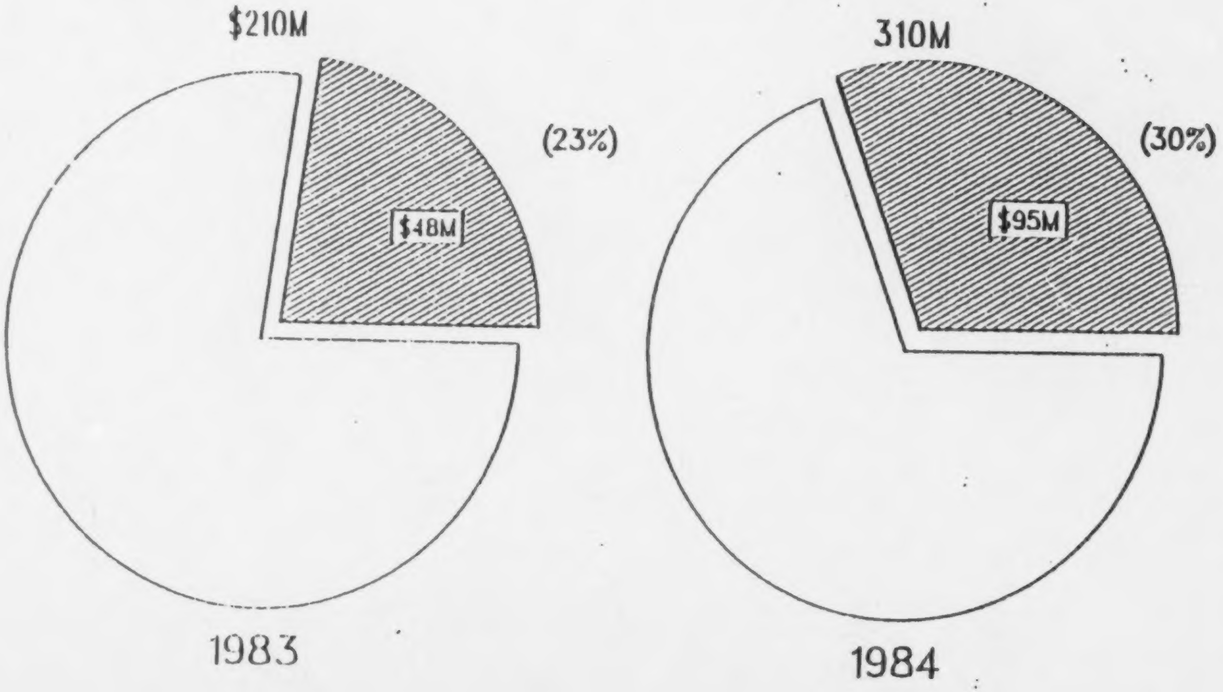
THE SUPERFUND PROGRAM IS NOW A FULL 25% OF EPA's BUDGET



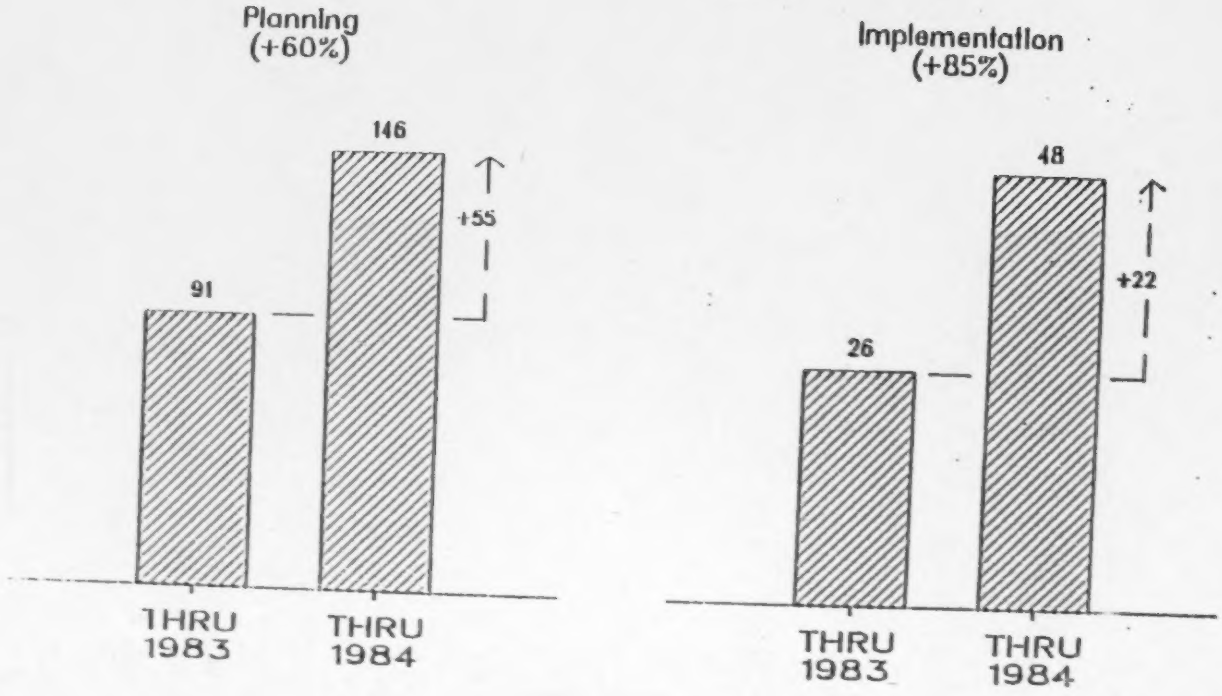
THE $100 MILLION INCREASE WILL SUPPORT DIRECT RESPONSE AND ENFORCEMENT ACTIVITIES AT SITES



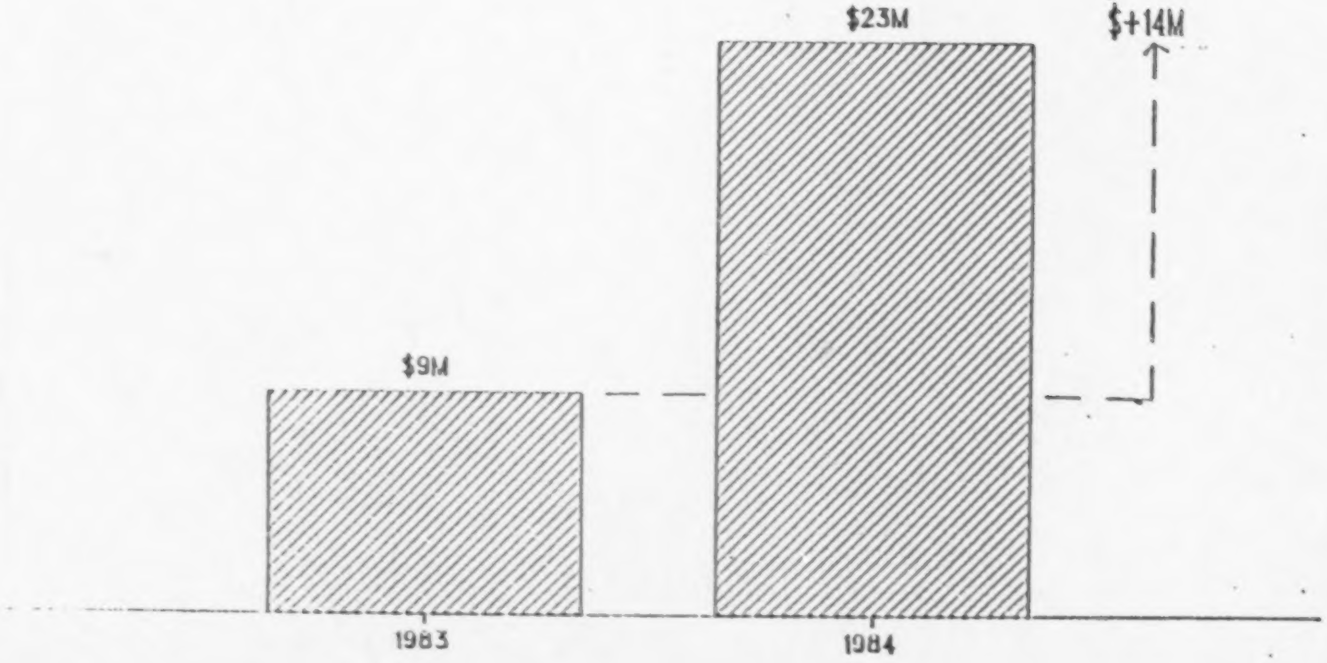
STATE PARTICIPATION WILL CONTINUE TO GROW THROUGH 1984, WITH STATES RECEIVING AN INCREASING SHARE OF SUPERFUND MONIES



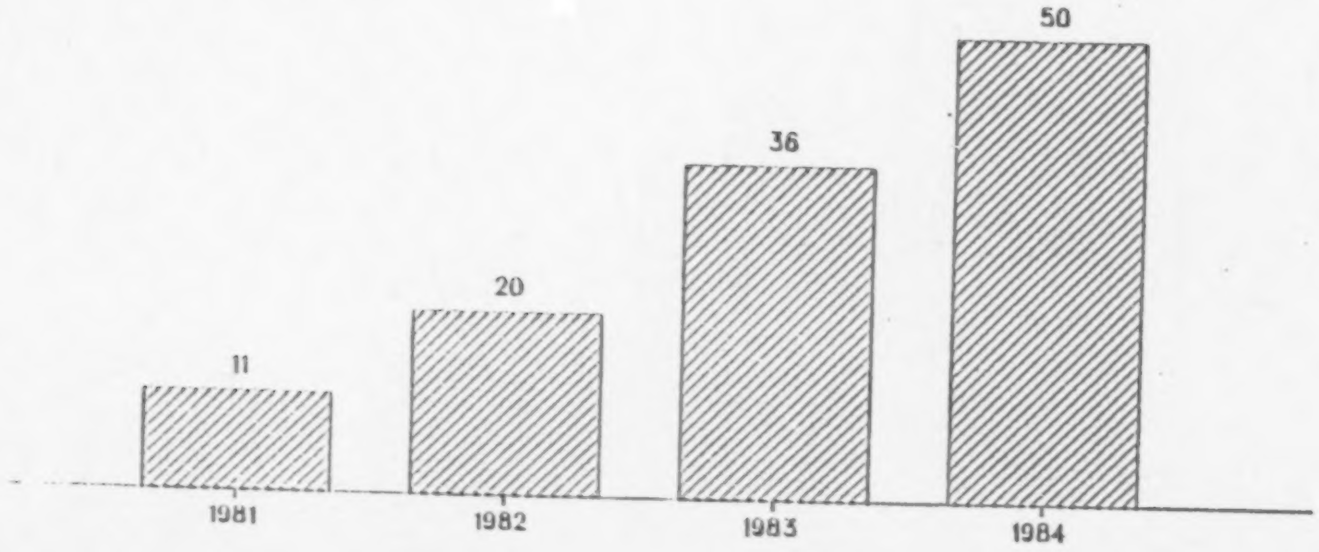
IN 1984 WE WILL INCREASE THE TOTAL NUMBER OF SITES WHERE PLANNING AND IMPLEMENTATION HAS BEGUN



$23 MILLION WILL BE RECOVERED IN 1984.



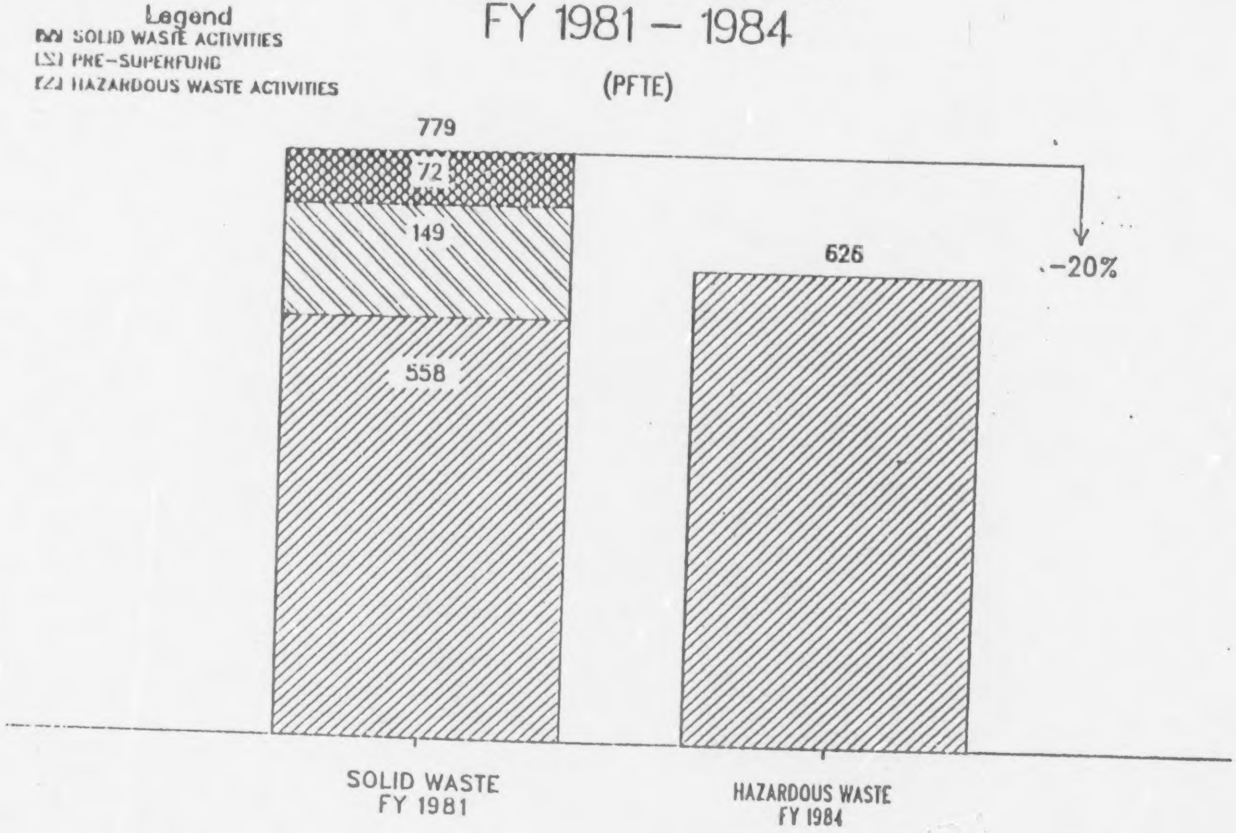
AGGRESSIVE ENFORCEMENT WILL CONTINUE TO INCREASE THE NUMBER OF NEGOTIATED SETTLEMENTS

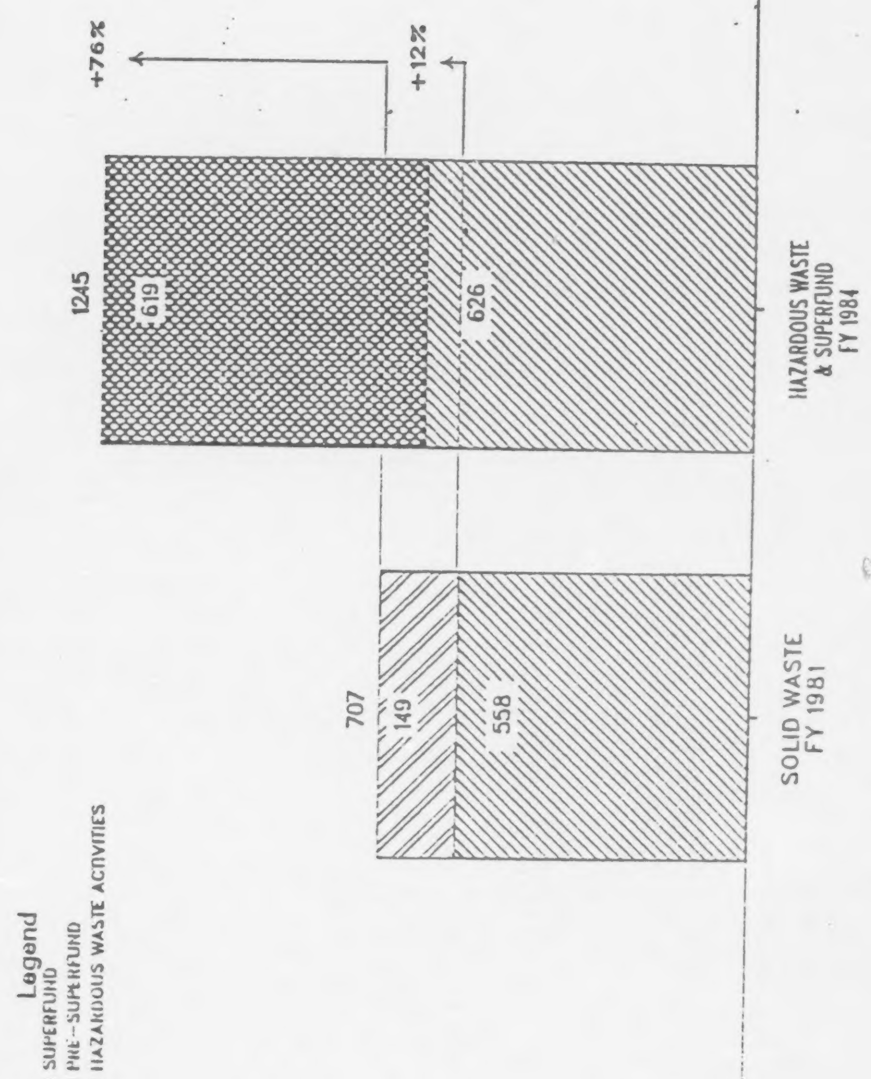


HAZARDOUS WASTE

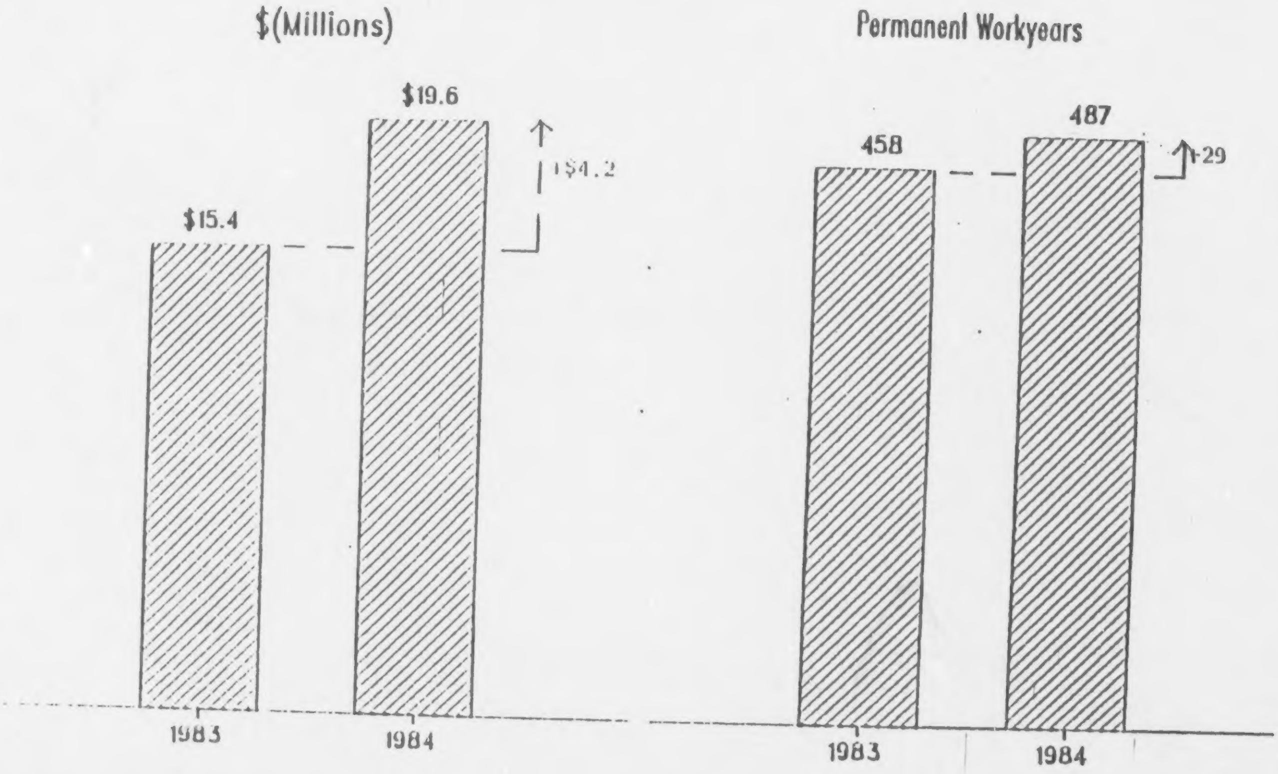
HAZARDOUS WASTE
FY 1981 – 1984

(PFTE)

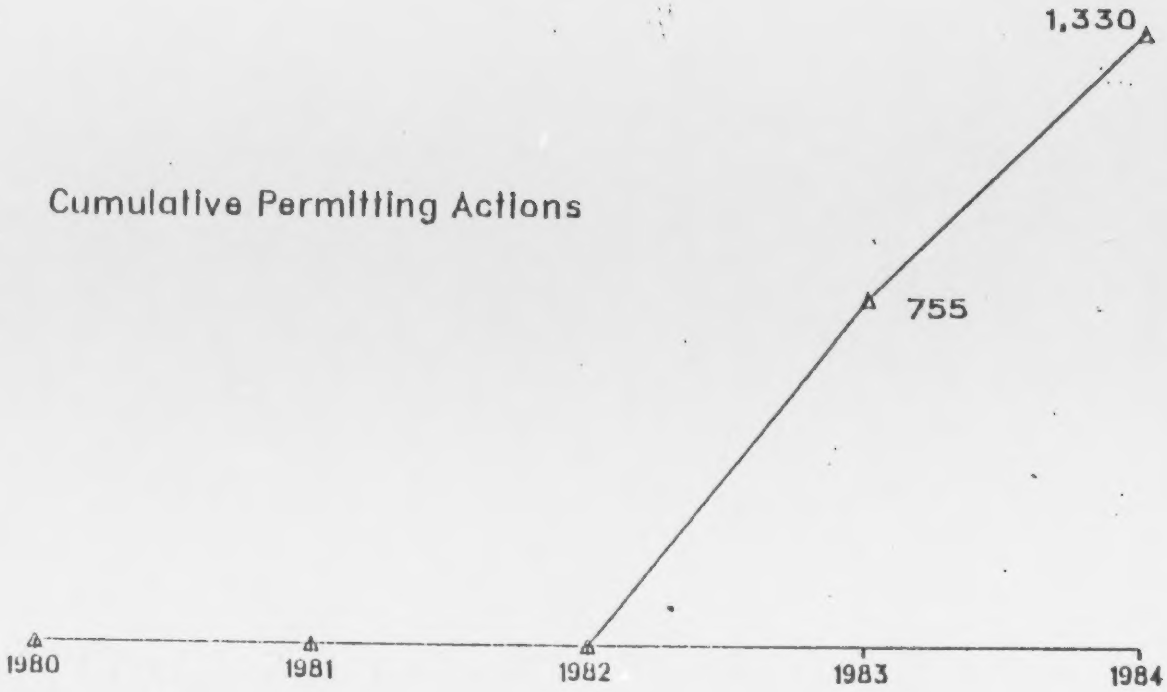



Legend
SUPERFUND
PRE-SUPERFUND
HAZARDOUS WASTE ACTIVITIES
707
149
558
SOLID WASTE
FY 1981
1245
619
626
HAZARDOUS WASTE
& SUPERFUND
FY 1984
+76%
+12%

HAZARDOUS WASTE PERMITTING AND ENFORCEMENT ARE A HIGH PRIORITY

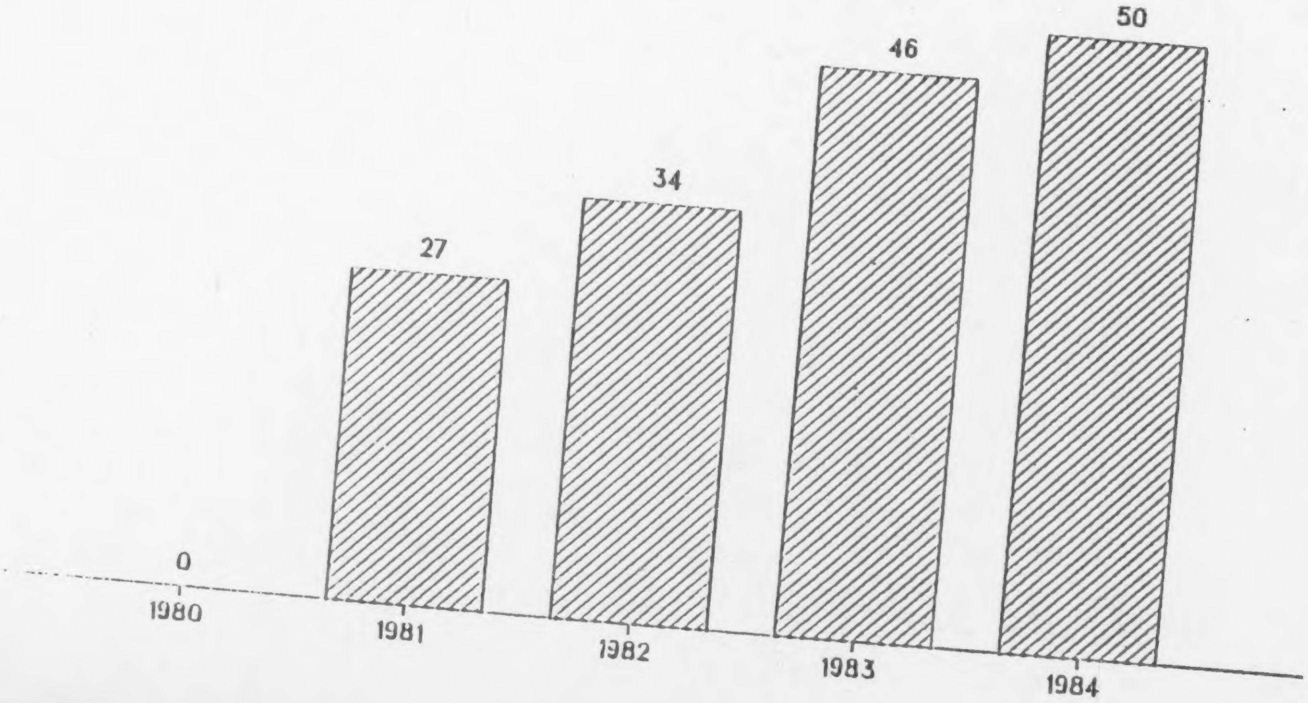


HAZARDOUS WASTE PERMITTING MOMENTUM DRAMATICALLY INCREASES



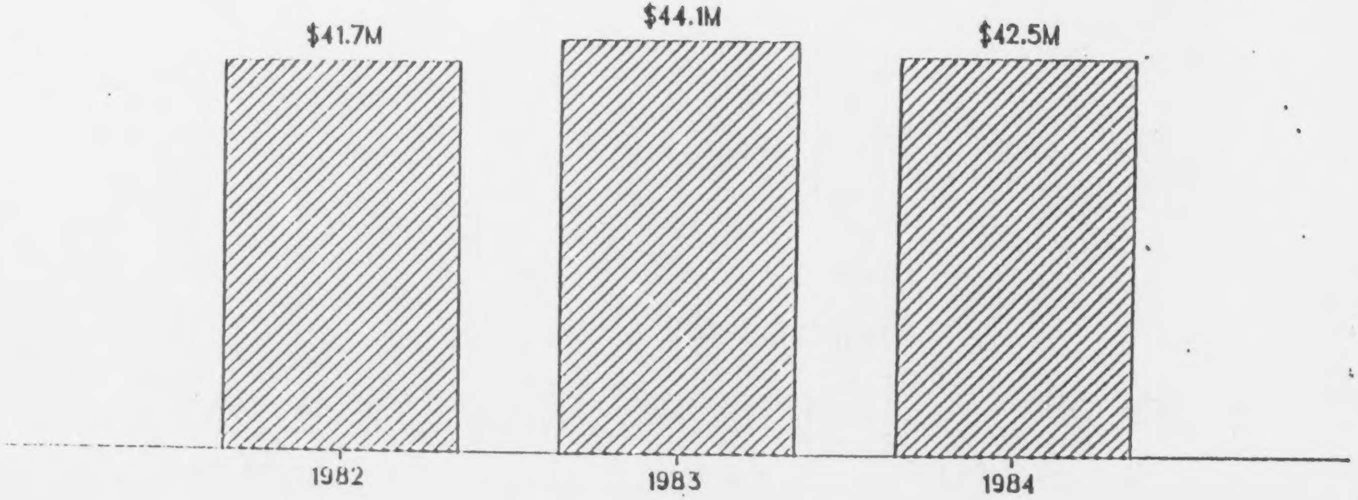
THE NUMBER OF STATES AUTHORIZED TO IMPLEMENT HAZARDOUS WASTE ACTIVITIES IS INCREASING.

States and Territories Authorized



WE MAINTAIN OUR COMMITMENT TO A COORDINATED AND EFFICIENT NATIONWIDE PROGRAM.

Hazardous Waste State Grants



Citizens for an
Effective
EPA

330 Pennsylvania Ave. S.E.
Washington, D.C. 20003
202 547-1141

February 8, 1983

The Hon. Robert Stafford
U.S. Senate
Washington, D.C. 20510

Dear Senator Stafford:

We appreciated the oportunity to meet with you regarding the FY 1984 operating budget for the Environmental Protection Agency. As per your request we have developed a consensus position regarding the level of funding EPA needs for its operating budget for FY 1984. The following table puts our proposal in perspective to previous years' funding levels:

EPA OPERATING BUDGET: ($ in millions)

Media	FY 1981 App.	FY 1982 App.	FY 1983 App.	FY 1984 Reagan	FY 1984 Env. Alt.
Salaries and Expenses	561.7	555.1	548.6	540.3	555.1
Building & Facilities	4.1	3.6	3.0	2.6	3.0
Research & Development	250.5	154.4	119.0	111.7	329.4
Abatement, Control & Compliance	534.8	372.9	369.1	294.0	447.9
Total EPA Operating Budget:	1,351.1	1,086.0	1,039.7	948.6	1,335.4
Superfund:	74.7	190.0	210.0	310.0	320.0
State Grants	274.0	238.0	231.0	172.8	338.0

As you can see in the right hand column, we are asking that EPA's operating budget be returned to approximately the 1981 level of funding. Even this level would represent a significant cut below that of 1981 because of inflation. To purchase the resources and staff that the agency used to carry out its functions in 1981 would cost about $1,800 million in FY 1984.

We fully agree with your assesment of where the increases in the agency's budget should be directed. We are asking for substantial increases in the Research and Development and the Abatement Control and Compliance accounts. We are also seeking a substantial increase in State Grants.

The additional funds for the R&D account should be earmarked for extramural research. Increased funds for pesticides monitoring (as recommended by the National Academy of Sciences study) would serve to correct some of the problems recently brought to public attention.

We hope that your committee will also make a recommendation on the FY 1984 staffing levels at EPA as well. As you can see from the chart below, the number of employees at EPA has dropped off dramatically since 1980. In fact, if the Administration's proposed FY 1984 Permanent Full Time Employee (PFTE) staff reductions are implemented, the agency's staffing will decline to its 1973 level when the agency was less than three years old. We propose that the staffing ceiling for FY 1984 be set at the FY 1982 level.

Date	12-80	10-81	10-82	Reagan FY 1984	Env. Alt. FY 1984
Total Emp.	14,927	12,665	12,273	10,447	12,273
PFTE	12,098	11,246	10,525	8,669	10,525

(The EPA payroll data for 1980-1982 was taken from the Monthly Report of the Federal Civilian Employment records.)

The cuts in EPA's budget have clearly gone too far. With the help of your committee, we hope to stop the Administrator's destruction of our environmental laws through budgetary starvation.

Sincerely,

Susan Fry
Susan Fry
Natural Resources Defense Council
Friends of the Earth
National Wildlife Federation
The Wilderness Society
Izaak Walton League

Larry Williams
Larry Williams
Sierra Club
Environmental Policy Center
National Audubon Society
Environmental Defense Fund
American Environmental Safety Council

Citizens for an
Effective
EPA

330 Pennsylvania Ave. S.E.
Washington, D.C. 20003
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February, 1983

Reagan Cuts EPA's Budget Yet Again

Here are the budget figures for the fiscal year 1984 Environmental Protection Agency funding as proposed by the Administration.

HIGHLIGHTS

Overall, the Agency's total budget will not change much from the Administration's 1983 request. However, there are several important shifts within the Agency's programs.

- Superfund increases by $100 million, from $210 to $310 million, a 48 percent increase.
- State grants decrease by $60.4 million, from $233.2 to $172.8 million, a 26 percent decrease.
- Operating programs not including Superfund or Construction Grants decrease by $91.1 million and 451 permanent workyears.
- Within the operating programs, decreases of major importance include:

1. Air: -$21.1 million and -24 Permanent Full Time Employees (PFTE);
2. Water: -$64.6 million and -288 PFTE;
3. Drinking Water: -$11.6 million;
4. Toxics: -$3.0 million and -21 PFTE;
5. Hazardous Waste: -$6.5 million and -17 PFTE.

EPA OPERATING BUDGET: ($ in millions)

Media	FY 1981 App.	FY 1982 App.	FY 1983 App.	FY 1984 Reagan	FY 1984 Env. Alt.
Salaries and Expenses	561.7	555.1	548.6	540.3	555.1
Building & Facilities	4.1	3.6	3.0	2.6	3.0
Research & Development	250.5	154.4	119.0	111.7	329.4
Abatement, Control & Compliance	534.8	372.9	369.1	294.0	447.9
Total EPA Operating Budget:	1,351.1	1,086.0	1,039.7	948.6	1,335.4
Superfund:	74.7	190.0	210.0	310.0	320.0
*State Grants:	274.0	238.0	231.0	172.8	338.0

*State Grants included in the Operating Budget Figures.

Environmentalists are proposing an FY 1984 budget of $1,335.4 (right hand column), which is close to the FY 1981 funding level. With inflation accounted for, however, the agency would still receive 30 percent less in FY 1984 than in FY 1981. (FY 1981 budget, accounting for inflation, would total approximately $1,800.0 million.)

EPA Budget Request by Media: ($ in millions)

Media	FY 1983 App.	FY 1984 Reagan	83/84 +/-	% +/-	FY 1984 Env. Alt.
Air	212.2	191.0	-21.1	-10%	
Water	216.0	151.41	-64.6	-30%	
Drinking Water	78.0	66.4	-11.6	-15%	
Hazardous Wastes	116.6	110.1	-6.5	-6%	
Pesticides	52.9	52.7	-0.2		
Radiation	10.9	10.9	0		
Interdisciplinaty	23.9	41.3	+17.4		
Toxics	69.7	66.7	-3.0		
Energy	25.0	23.5	-1.5		
Mgmt/Sup./Other	234.5	234.6	+0.1		
Operating Program Total	1039.7	948.6	-91.1	-9%	1,335.4
Superfund	210.0	310.0	+100.0	+48%	320.0
Total	1249.7	1258.6	+8.9	+0.7%	

Note the 30 percent cut proposed for the water quality account. This cut would come at a time when EPA is issuing final effluent guidelines to control industrial discharge of toxic substances into the Nation's waters. There are 21 primary industries affected by the regulations. As the result of a court order, EPA must issue all regulations in final form by July 1, 1984.

Implementation of the regulations will come about when the States must re-write major permits for the affected industries. About two-thirds of the States have been delegated the responsibility to do this work. They pay for this work with federal grant funds under Section 106 of the Clean Water Act. Thus, "106 grants" are the primary means for financing the implementation of effluent guidelines. States also use this money to issue municipal permits, conduct monitoring and permit compliance surveys of their waters, and other water pollution control activities.

STATE GRANTS: ($ in millions)

Media	FY 1983	FY 1984	83/84 +/-	% +/-
Air		70.0		
Water		24.0		
Drinking Water		21.2		
OIC		6.1		
Hazardous Wastes		42.5		
Pesticide enforcement		6.9		
Pesticide certification		2.1		
Total	233.2	172.8	-60.4	-26%

The Reagan Administration is proposing to cut grants to the States, received through Section 106 of the Clean Water Act, by $30.2 million, down 55 percent from the 1983 funding level ($54.2 million) now in effect. This drastic decrease in funding will severely limit the ability of the States to issue re-written permits to implement effluent guidelines.

- The decrease will do the most damage in States that have made the most progress and therefore have the heaviest workloads.

- These States have the most difficult permits since most have many heavy industries.

- Just 19 States that have taken over from EPA the responsibility of enforcing the Clean Water Act account for 60% of the permits nationwide which must be re-written to implement effluent guidelines.

- These 19 States suffer 55 percent of the funding reduction ($17 million) in 106 grants.

The Agency will make the case that the reduction represents an impact of only 50 cents on the dollar as States traditionally match federal grants on a dollar for dollar basis. This is fiscal sophistry. The effects of the current Reagan recession have not been limited to the federal government. States are experiencing severe revenue reductions and will undoubtedly cut back on environmental programs along with all others. For instance, in the past two months, the governors of New York, New Jersey, Virginia, and California have all announced severe cutbacks in state services as a result of revenue shortfalls. There is no way that state funding for environmental programs can remain at current levels.

Permanent Workyears (PFTE)

Media	FY 1983 App.	FY 1984 Reagan	83/84 +/-	% +/-
Air	1374	1350	-24	
Water	1951	1663	-288	
Drinking Water	471	465	-6	
Hazardous Waste	643	626	-17	
Pesticides	662	653	-9	
Radiation	148	127	-21	
Interdisciplinary	326	353	+27	
Toxics	627	606	-21	
Energy	36	37	+1	
Mgt/Sup./Other	2263	2170	-93	
Total	8501	8050	-451	-5.3%
Superfund	624	619	-5	
Total	9125	8669	-456	-5.0%

The number of employees at EPA has dropped off dramatically since 1980. In fact, if the Administration's proposed FY 1984 Permanent Full Time Employee (PFTE) staff reductions are implemented, the agency's staffing will decline to its 1973 level when the agency was less than three years old. We propose that the staffing ceiling for FY 1984 be set at the FY 1982 level.

				Reagan	Env. Alt.
Date	12-80	10-81	10-82	FY 1984	FY 1984
Total Emp.	14,927	12,665	12,273	10,447	12,273
PFTE	12,098	11,246	10,525	8,669	10,525

(The EPA payroll data for 1980-1982 was taken from the Monthly Report of the Federal Civilian Employment records and the Presidents FY 1984 budget proposal to the Congress.)

Contact: Larry Williams, Sierra Club

TESTIMONY OF JONATHAN LASH
BEFORE THE
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
ON THE FISCAL YEAR 1984 BUDGET FOR THE
ENVIRONMENTAL PROTECTION AGENCY

February 15, 1983

Mr. Chairman:

My name is Jonathan Lash; I am a staff attorney with the Natural Resources Defense Council. I will present testimony today on behalf of the American Environmental Safety Council, Friends of the Earth, the National Audubon Society, the Natural Resources Defense Council, and the Sierra Club.

The Environmental Protection Agency is wreathed in clouds of scandal. The press, catching the scent, is examining every aspect of the hazardous waste program, digging for evidence of improper conduct. Each day seems to bring new revelations of mismanagement somewhere in EPA.

Yet "Wastegate," as some have dubbed it, is not the most serious scandal. It affects only one program. The real scandal at EPA is two years of chaotic mismanagement, policies that change and change again, budget cuts that render the Agency incapable of doing its job, and failure to enforce not just the Superfund and hazardous waste laws but all of the laws designed to protect our society from pollution. "Wastegate" is only a symptom of the deterioration of an entire agency. The budget that this committee is beginning to examine today and the policies that it reflects are not separate from but closely related to the scandals that have received so much publicity during the past two weeks.

Much has happened at the EPA in the past two years that should not have happened. But while it has sometimes been criticized and occasionally lamented, it has not been prevented or corrected.

A review of a little of the Agency's history is instructive: We are unable to recall a single instance in which a top-level official at the Environmental Protection Agency was fired, forced to resign, tainted with scandal, or forced to withdraw before his nomination was confirmed during the first ten years of the Agency's existence. Since Mrs. Gorsuch came to office, there have been six. Nolan Clark, the Associate Administrator whom she appointed to direct the Agency's policy office was forced out within months when it became clear that his naive belief that policy should be based on facts was incompatible with the preordained policy goals of Mrs. Gorsuch and the Regulatory Reform Task Force. Frank Shepherd, the first Gorsuch enforcement chief, was forced out soon after. William Sullivan, Mr. Shepherd's successor, was fired less than a year later as Mrs. Gorsuch came under increasing criticism for her failure to actively prosecute violators of the pollution laws. Dr. Andrew Jovanovich, Acting Assistant Adminstrator for Research and Development, was removed after a controversy regarding his handling of research grants and contracts. The nomination of James Sanderson, a close associate of Mrs. Gorsuch to succeed Nolan Clark, was withdrawn after an Inspector General's investigation of charges that while serving Mrs. Gorsuch as a special assistant he had represented clients with matters before EPA and had intervened in EPA proceedings on behalf of his clients. Now Rita Lavelle and several of her top aides have been removed. An Agency whose reputation for integrity was impeccable has been sullied. Yet, even in Mr. Sanderson's case, rather than make it absolutely clear to all the employees of the Agency, to those whom the Agency regulates, and to those whom the Agency should protect that such conduct will not be tolerated, Mrs. Gorsuch regretted his departure and has apparently continued to rely on him as an occasional consultant.

Mrs. Gorsuch herself was involved in an extraordinarily unseemly episode a little over a year ago. In December 1981 she met with representatives of Thriftway, a small New Mexico refinery, and assured them that she would use her prosecutorial discretion not to take any enforcement action against them if they exceeded the existing regulatory ceiling on lead in gasoline. She explained this agreement not to enforce the law on the grounds that the regulations would soon be changed. Thriftway did in fact report subsequent violations of the regulations, and no prosecutorial action was taken against them, but public and scientific reaction against the proposed weakening of the regulations was such that EPA instead, shortly before the Congressional elections, chose to strengthen those regulations, an action which we applaud, whatever the motivation behind it. I must say that I am at a loss to understand the difference in principle between the action that Mrs. Gorsuch took with respect to Thriftway and the actions that Ms. Lavelle is alleged to have taken with respect to a number of hazardous waste dumpers.

In the hazardous waste program, the problems had begun long before the arrival of Ms. Lavelle. According to EPA and Justice Department figures, there was a 79% decline in the number of hazardous waste case referrals to EPA headquarters from the regions between 1980 and 1981, and a 69% decline in the number of cases referred from EPA headquarters to the Department of Justice. During the first year after Mrs. Gorsuch was confirmed, so far as we can tell not a single federal action based on RCRA was filed by the Department of Justice. Although EPA officials justified the decline in the number of prosecutions on the grounds that they would increasingly rely upon more efficient and less expensive administrative actions, between January 1981 and the end of fiscal year 1982, EPA issued only two orders under Section 106(a) of the Superfund law to abate imminent hazards, only three orders under Section 301(3) of RCRA for the testing of hazardous waste sites, and only under five Section 7003 of RCRA to abate imminent hazards.

Hazardous enforcement activities did not decline by coincidence; the resources allocated to carry out hazardous waste enforcement have declined. Congress appropriated $151 million for the overall hazardous waste program in FY 1981. The Administration requested $103 million in FY 1983. Congress appropriated slightly more, $116 million, and this year the Administration proposes another cut to $110 million. Mrs. Gorsuch justifies the cuts on the grounds that portions of the program have been transferred elsewhere or to the states.

Close analysis of the budget, however, casts doubt on the transfer theory. For example, in FY 1981 the Agency spent $11.3 million for hazardous waste enforcement. The FY 1983 request was $1.9 million. The budget document explains that portions of the program were transferred to the Office of Legal and Enforcement Counsel, the Regulatory Strategies Implementation Program, the Superfund Program, and the states. Yet this diaspora of enforcement resources has not resulted in corresponding increases in the recipient programs. For FY 1983, the Administration proposed heavy cuts in both the Regulatory Strategies Program and in state hazardous waste grants.

The Office of Legal and Enforcement Counsel did not receive increases corresponding to the cuts elsewhere, and only Congressional intervention prevented actual cuts. In fact, the Administration proposed cuts in total enforcement-related staff for all programs from 2,108 to 1,635 full-time equivalents. These cuts in permitting and enforcement have taken place at the same time that the Agency is trying to implement and enforce permitting and monitoring requirements and crack down on midnight dumpers. It is no wonder that sources within the Agency report that the vast majority of existing operating hazardous waste facilities have yet to comply with monitoring requirements, the very requirements that would enable the government to detect and prevent the creation of hazards to public health.

After EPA had released an interim list of 115 priority waste sites in October 1981 and identified parties potentially responsible for those sites, its first action was to send those parties letters advising them of the option of beginning a voluntary cleanup of the sites instead of becoming involved in legal action with the EPA. About 1% of the companies contacted responded. William Sullivan, then the Agency's enforcement counsel, acknowledged in the words of the Subcommittee on Oversight and Investigations of the House Committee on Energy and Commerce that "a 1% response was an indication of industry's perception that EPA is not as serious about enforcement as it should be."

Shortly after Mrs. Gorsuch came to office, she delayed financial responsibility rules designed to ensure that the firms handling hazardous wastes have the necessary resources to protect the public and pay for damage or injuries resulting from spills, fires, and explosions. In February 1981, without notice or public comment, Mrs. Gorsuch suspended the prohibition against the burial of liquid wastes in drums. The public reaction to that suspension was so strong, however, that she was forced to reimpose the ban some weeks later.

In negotiations with industry attorneys in a pending litigation, EPA agreed to weaken permitting requirements for hazardous waste facilities. A lifetime permit proposal has recently been issued.

In the first use of its Superfund authority, after the toxic site in Santa Fe Springs, California, caught fire in July 1981, top EPA officials quickly negotiated a private settlement with one of the responsible parties that was widely viewed as much too soft. The settlement not only limited the company's cleanup responsibility but committed EPA to testify on behalf of the company in any subsequent lawsuit against it arising from the dump and the fire.

By October 15, 1981, long before Ms. Lavelle's appointment, members of this Committee were already questioning Mrs. Gorsuch closely about implementation of the Superfund law, and Senator Moynihan was sufficiently disturbed to suggest that Mrs. Gorsuch should resign rather than implement the budget cuts proposed by the Administration.

The press has reported the controversy surrounding the settlement with the Seymour Recycling Corporation and its dumpsite in Seymour, Indiana. EPA General Counsel Robert Perry opposed the settlement on the grounds that it had no teeth and was inadequate to assure that the cleanup job would be completed. Yet neither he nor Mrs. Gorsuch prevented the settlement from going forward or took action at the time against Ms. Lavelle. Instead, they supported the Administration's policy of refusal to disclose documents that would enable the Congress to determine whether the hazardous waste law and the Superfund were being properly and vigorously enforced.

Only days before her dismissal, Ms. Lavelle participated with other EPA officials in the Agency's briefing on the budget to members of the press. At that time, Morgan Kinghorn, Comptroller of the Agency, explained that the Agency's policy would continue to be to emphasize negotiated settlements with regard to Superfund sites. There is, of course, nothing wrong with either negotiation or settlements. But after two years of inadequate enforcement of the hazardous waste laws, it is increasingly the case that the term "negotiated settlement" in this case is a euphemism for non-enforcement.

But the hazardous waste program is only the aspect of EPA's programs that is now getting attention. The whole agency is in trouble. In January 1981, EPA was a scandal-free agency with an operating budget of $1.38 billion dollars and a workforce of almost 15,000, over 11,000 permanent employees. In its ten-year history, the EPA has been given responsibility for eight major regulatory statutes designed to protect Americans from poison in the air, water, land, food, and oceans.

The Administration proposes to reduce the EPA operating budget in FY 1984 to $948 million, a 30% decrease since 1981 -- over 40% if inflation is considered. The total staff ceiling will be cut to 9,700, with about 8,000 permanent, full-time equivalents. State grants would be cut to $173 million, a 37% cut since 1981, more than a 50% cut since 1979. The total research budget for both intra- and extramural research would be cut to $205 million, down from $360 million appropriated by Congress in FY 1981. Extramural research would be cut to $111 million, down from $250 million in 1981.

The cuts matter. The Agency is already unable to do its job. For example:

We have examined each regulatory agenda published by EPA from January 1981 through October 1982. We looked at all actions reported under the air, water, drinking water, toxic substances, and waste acts to determine which had been completed and which were on schedule. Of 256 actions which we identified, 138 are behind schedule -- 96 of them nine months or more; 50 have been cancelled or indefinitely postponed; 40 have simply disappeared or no longer even carry a completion date; 24, mostly relaxations cancelled or indefinitely postponed; 40 have simply disappeared or no longer even carry a completion date; 24, mostly relaxations of existing rules, have been completed; and 4 are on schedule.

In 1977, Congress required the EPA to establish New Source Performance Standards for a variety of industries. When Mrs. Gorsuch took office, 37 standards had been adopted, 12 had been proposed, and 49 were in preparation. Since then, despite repeated promises that the standards would be promulgated promptly, EPA has adopted only seven new standards.

When Mrs. Gorsuch took office, EPA was close to meeting court-ordered deadlines for promulgation of industrial toxic effluent guidelines. Mrs. Gorsuch held up the guidelines and sought a delay in the deadlines imposed by the court. When the court refused the delay, EPA finally began the process of issuing standards, but many of the new standards, two years late as they are, are so weak that they undercut existing practice incorporated in permits written years ago.

During FY 1981, the rate at which NPDES permits were renewed fell about one-third. During FY 1982, the rate fell another third. Some 43,000 industrial facilities are subject to NPDES requirements. By the end of FY 1983, EPA staff project that over 60% will be operating under expired permits. The percentages are about the same for municipal discharge permits.

Among the major tasks confronting this committee during the past two years were efforts to reauthorize the Clean Air and Clean Water Acts. I believe it is not an exaggeration to say that EPA was unable to exercise significant leadership in that process. Indeed, even now the Administration continues to struggle with the question of whether to submit its own proposals for revisions in the Clean Air and Clean Water Acts and, if so, which proposals.

The toxics program, which was bogged down under the last Administration, has sped up by emphasizing exemptions, exceptions, and inaction. While EPA told Congress in its budget justification documents that during FY 1982 it would conduct 318 safety reviews of new chemicals, in fact it conduct only one. In the same documents, EPA said that it would conduct 125 reviews of chemical production facilities but conducted only one. The rate at which exemptions were granted for unregistered uses of pesticides more than tripled in 1982.

Here, too, there is evidence of closed-door, one-sided negotiated settlements with industry. In the Fall of 1980, EPA received the results of a series of laboratory experiments indicating that formaldehyde is a carcinogen. Home insulation containing formaldehyde has since been banned by the Consumer Product Safety Commission. The EPA staff recommended that the Agency begin regulatory proceedings with respect to formaldehvde under the Toxic Substances Control Act.

Instead, Dr. John Todhunter convened a series of "science courts" with representatives of the Formaldehyde Institute, the Chemical Manufacturers Association, and several individual corporations, after which he decided not to take action on formaldehyde. Although the meetings were widely criticized, neither Dr. Todhunter nor Mrs. Gorsuch ever conceded that such closed-door, one-sided proceedings might be an improper way to conduct the public's business.

EPA continues to insist in its budget justification documents that substanial portions of its responsibilities will be taken over by the states. The states, most of them facing budget deficits, have been quite emphatic in saying that they will be unable to increase environmental regulatory activities if EPA cuts back on the resources made available to them to assist their environmental programs. Yet EPA proposes to do just that.

A year ago, in testifying before this Committee, we said -- and we would reiterate -- that if the states are to take on increased responsibilities, state grants and funds should be increased, not cut. The federal environmental laws create a special relationship with the states in which the states are implementing a federal policy. The federal government should support that implementation and not expect at some time in the future to be able to reduce its commitment. The states have been given implementation responsibility because they are closer to and more able to be responsive to the special problems created by geographic differences. But the program they are implementing is a national program, defined by federal laws enacted in order to meet national needs.

The only significant increase in the Agency's budget will be for Superfund, which will increase by 48%. It is too little and too late. The Agency has identified 418 priority sites. The budget justification states that in FY 1984 EPA will implement "solutions" at only 22 sites where planning work will finally be completed. Fiscal Year 1984 will be the fourth year of Superfund's existence, yet the Agency plans to implement solutions at only 6% of the priority sites.

We urge the Committee to take three steps to halt the disintegration of EPA. First, assure that all the allegations of impropriety at EPA are fully investigated. An outside special prosecutor should be appointed. Mrs. Gorsuch and Attorney General French Smith are both committed to the policy of withholding documents from Congress. The public will not be satisfied with their conclusions as to improprieties that may have been covered up by that policy, knowingly or not. Second, we urge that this Committee support the House in its efforts to secure disclosure of enforcement and policy documents related to implementation of both Superfund and the hazardous waste laws. Third, we urge you to increase, not reduce, the Agency's budget. The FY 1984 budget should be returned at least to FY 1981 levels. That would still mean that the Agency's resources would be substantially below those it had in 1981 because of inflation. Specifically, we suggest increases in enforcement, research, state grants, and a substantial increase in abatement, control, and compliance resources for toxic substances, pesticides, and hazardous wastes.

EPA is in trouble. The problem is one of leadership. The Agency has not done the job it is required to do by the law of the land. It is widely perceived as not caring about that job and not being willing to enforce the law. After two years under Mrs. Gorsuch's management, the Agency is in a state of chaos. Its credibility is at an all-time low. It is incapable of establishing leadership in the environmental field and instead must be cajoled, criticized, and sued to be persuaded to act.

EPA's job should be to guarantee the American public air that can be breathed without risk to health; water that is suitable for fishing, swimming, and drinking; food that is free from contamination by dangerous pesticides; and land that is free from toxic materials. Those are not radical goals; rather they are the objectives already expressly written into federal law. Instead, EPA is caught up in battles over how it settles its cases, with whom it shares its secrets, whether it can really do more with less, whether it can create better science with half the money, and whether the widely held public belief that it isn't doing its job is unfair.

Congress should act decisively to correct the chaos at EPA, and to restore public confidence in the Agency. If you do not act, you will implicitly condone what is happening to the EPA.

FISCAL YEAR 1984 BUDGET REVIEW

THURSDAY, FEBRUARY 17, 1983

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C.

The committee met at 10:12 a.m., in room SD-406, Dirksen Senate Office Building, Hon. James Abdnor presiding.

Present: Senators Abdnor, Chafee, Humphrey, Randolph, Bentsen, and Moynihan.

CORPS OF ENGINEERS

Senator ABDNOR. The meeting will come to order.

Chairman Stafford, who of course, would normally be presiding and would like to have been here, is ill. He wanted me to place his opening statement in the record, which we will do.

[Senator Stafford's statement follows:]

OPENING STATEMENT

SENATOR ROBERT T. STAFFORD, CHAIRMAN
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

10:00 a.m.
February 17, 1983

Room 406 - Dirksen Senate Office Building

I am pleased to welcome Secretary Gianelli to this hearing on the Budget of the U.S. Army Corps of Engineers. It is important that we discuss the issue of water resources development, as it relates to the Budget.

Much of the attention in this hearing will, I know, focus on the question of cost-sharing and new project starts. Our nation, in my view, must address the issue of equitable project financing if we are to revive the water resources development program.

I was pleased that our Committee last year agreed to support the Administration's proposals for a number of new starts. That was a step in the right direction. I hope the Committee will reaffirm that position. To assist our colleagues, I shall place in our hearing record a copy of the letter the Committee sent last year to the Committee on Appropriations.

Mr. Gianelli, you have taken on a difficult task. You have our support. We wish you the best of luck.

ROBERT T. STAFFORD, VT., CHAIRMAN
HOWARD H. BAKER, JR., TENN.
PETE V. DOMENICI, N. MEX.
JOHN H. CHAFEE, R.I.
ALAN K. SIMPSON, WYO.
JAMES ABDNOR, S. DAK.
STEVE SYMMS, IDAHO
SLADE GORTON, WASH.
FRANK H. MURKOWSKI, ALASKA
JENNINGS RANDOLPH, W. VA.
LLOYD BENTSEN, TEX.
QUENTIN N. BURDICK, N. DAK.
GARY HART, COLO.
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United States Senate
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
WASHINGTON, D.C. 20510

August 12, 1982

The Honorable Mark O. Hatfield
Chairman
Committee on Appropriations
1218 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

The Senate Committee on Environment and Public Works met on August 11, 1982, to discuss the Army Corps of Engineers construction starts proposed by the Administration for the fiscal year 1983 budget. By a roll call vote of 7-2, our Committee supports the inclusion of these projects in the Corps' 1983 appropriations, as recommended by the Administration.

The Committee does not view our recommendation as setting a precedent for future action. We remain uncertain whether the precise levels of cost-sharing requested by the Administration are the most appropriate. We are also uncertain as to whether these projects should be considered the highest priority among those in the Corps' backlog of authorized projects.

Nevertheless, we believe the Administration's proposal represents an important step forward in the development of our nation's water resources, and we commend Assistant Secretary of the Army Gianelli for developing a package of projects that has received strong support from local project sponsors.

We, therefore, urge the Committee on Appropriations to include these projects, as recommended by the Administration, in the fiscal year 1983 Energy and Water Development Appropriations bill.

Inasmuch as the local project sponsors of the Ellicott Creek, New York, project have agreed to pay more than 35 percent of the flood control costs as they are now required to do under current law, we also recommend that the appropriations bill include first year construction funding for this project.

Sincerely yours,

Jennings Randolph
Jennings Randolph
Ranking Minority Member

Robert T. Stafford
Chairman

Senator ABDNOR. Due to the accelerated schedule for the First Concurrent Budget Resolution which has been proposed, the Environment and Public Works Committee will not be able to have each agency appear before it. The committee has asked those who will not be appearing in person to submit written testimony for the record.

[The material referred to begins at p. 387.]

I also ask unanimous consent that the record remain open so that additional testimony on the fiscal year 1984 budget may be included.

OPENING STATEMENT OF HON. JAMES ABDNOR, U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator ABDNOR. It is an honor for me to welcome our witnesses and to participate in this important hearing concerning Corps of Engineers budget proposals for the fiscal year 1984.

The focus of today's hearing is the civil works budget of the U.S. Army Corps of Engineers. It is sad to note that fiscal year 1984 may prove to be a critical year for the U.S. Army Corps of Engineers since the budget does call for steep cuts in the Corps' construction program.

The construction budget for fiscal year 1984 calls for expenditures of $945 million, down some $300 million from the level that will be allotted in the current fiscal year. More significantly, the fiscal year 1984 construction budget stands at a mere 29 percent of where it was in 1967, when calculated in constant dollars.

We hear a great deal these days about "infrastructure." Water development is in bad shape. Not a single major water resources bill has become law since 1976. We have begun construction on only a handful of new projects. And now, in fiscal year 1984, we see the corps spending less on its construction program than it expects to spend simply to operate and maintain existing projects.

This Nation must maintain the investment we have. But we must also build for America's future. We cannot allow the Federal water resources program to become simply a caretaker of existing projects.

We welcome you gentlemen here today.

Senator Bentsen, would you care to make an opening statement?

Senator BENTSEN. No; I thank the chairman. I will have some comments as we go along. Thank you very much.

[Senator Randolph's opening statement, referred to at page 288, follows:]

OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator RANDOLPH. The committee is today examining the budget for the Corps of Engineers. Over the past several years, a significant decline has occurred in the level of funding for this important agency. Of particular importance is the construction funding decrease.

For fiscal 1984, $945 million is proposed for construction. This is down from an actual level of $1.4 billion for fiscal year 1982. It has been some time now since we have had any new starts for this program.

Even though the Reagan administration has recently proposed 13 new starts for fiscal years 1983 and 1984, the Congress has not approved them because of the cost-sharing conditions imposed. While this committee has gone on record as supporting the so-called innovative financing, other important committees of Congress have not.

In examining this year's budget with the additional new starts called for, this committee must consider how to address the long-term construction program of the Corps of Engineers. Members must look carefully at what role the corps is to play in future water resources development.

Operation and maintenance, of course, must continue. There will come a time when many of the projects which are currently in place will need to be substantially rehabilitated or replaced. How this budget and those in the foreseeable future fit into this picture is something which must be considered carefully.

I look forward to discussing this budget proposal and the status of certain projects with representatives of the Corps of Engineers. Thank you, Mr. Chairman.

Senator ABDNOR. Mr. Secretary, we appreciate you and your assistants being here. Please proceed in any way you see fit.

STATEMENT OF WILLIAM R. GIANELLI, ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS); ACCOMPANIED BY MAJ. GEN. JOHN F. WALL, DIRECTOR, CIVIL WORKS, CORPS OF ENGINEERS; AND BORY STEINBERG, CHIEF, PROGRAMS DIVISION

Mr. GIANELLI. Thank you very much.

I would like to say that I have with me today Maj. Gen. John Wall, who I think makes his first appearance before this committee, and I also have with me Bory Steinberg, who is chief of programs for the civil works directorate of the corps. They will both be assisting me in connection with the testimony today, Mr. Chairman.

With your permission, Mr. Chairman, I would like to proceed by asking that my statement be placed in the record of these hearings. The statement addresses the five areas which you specifically mentioned in your letter of February 7th. My response to the additional five questions attached to your February 7th letter is also appended to my statement that we are submitting today. (See p. 302.)

The information requested in your letter of February 1 is complete and has been submitted to the committee. So I ask that in accordance with your letter, Mr. Chairman, my response of February 16, 1983, be included in the record of these hearings also. (See p. 327.)

Senator ABDNOR. Without objection, it will be made a part of the record.

Mr. GIANELLI. Thank you very much.

The committee has also been furnished copies of the statement which I presented on the fiscal year 1984 Civil Works budget to the Energy and Water Development Subcommittee of the Committee on Appropriations of the U.S. Senate.

In your letter to me, Mr. Chairman, in connection with the presentation today, you asked me to address several subjects, and I would like to refer to those.

FISCAL YEAR 1984 BUDGET REQUEST

Comparison of the fiscal year 1984 budget request with the prior 2 years is shown in the table attached to my statement. The total budget request for fiscal year 1984 is $2.102 billion, net of offsetting receipts which are estimated at $492 million. Included in the estimated receipts is $454 million which would be realized under revised navigation cost recovery and recreation user fee legislation supported by the administration. The gross request, thus, amounts to $2.594 billion, which, together with the $40 million available from this year's deferral, is approximately a 4-percent reduction from the fiscal year 1983 budget request.

The fiscal year 1984 budget includes five new construction starts and follow-on funding for the new starts proposed in fiscal year 1983. For the information of the committee, I am also attaching a table which lists the names, total costs and Federal and local financing of these 14 new construction starts—that is 9 in fiscal year 1983 and 5 in fiscal year 1984—which we proposed on the basis of innovative financing.

CHANGES IN PROGRAM FUNDING

Moving on to the subject of funding changes. The most significant changes in funding levels between fiscal year 1983 and 1984 are in the construction, general and general investigations accounts. I think you alluded to that, Mr. Chairman, in your opening statement.

The construction, general reduction is due mainly to completion of 25 construction projects in fiscal year 1983 and the fact that in fiscal year 1984, 12 more projects are completing and many of the others are nearing completion. For example, the request for the Tennessee-Tombigbee Waterway is $90 million, less than one-half of last year's request of $186 million. Finally, a significant factor contributing to the reduction was the reduced funding requirements based on the favorable low bids which have been experienced within the last 1½ years and the anticipated moderate future inflation rates on contracts scheduled for award in fiscal year 1984.

With respect to general investigations, the program which we are proposing for fiscal year 1984 differs from the current year program in two important respects. First, we have included funds on a selected basis to initiate new studies—that is, eight surveys, eight continuation of planning and engineering (CP&E) studies and two advance engineering and design (AE&D) projects. No new studies were proposed in fiscal year 1983.

Pending resolution of the issues of cost sharing and user fees, we are concentrating our planning and engineering efforts, both with respect to studies underway and new studies, on those investigations which we believe ultimately will result in projects being built. Based upon indications from local sponsors, the CP&E new starts appear to have a reasonable chance of implementation pursuant to cost sharing formulas being discussed. The new surveys would be conducted in two phases, as I indicated a year ago, and fiscal year 1984 funding would complete the first, or reconnaissance, phase of the surveys at 100 percent Federal cost.

There is evidence, Mr. Chairman, that too much money has been spent on studies that have not produced implementable projects. Accordingly, the Department of the Army is proposing in fiscal year 1984 that overall general investigations funding be reduced 15 percent, from $129 million in fiscal year 1983 to $110 million in fiscal year 1984. Funding for continuation of planning and engineering has been held close to its fiscal year 1982 level. Nonetheless, in addition to the 18 new starts, the $110 million requested does provide for continuation of 122 surveys, 19 CP&E studies and 25 AE&D projects. It is my view that the Federal Government at this time should bear the full study costs of the eight CP&E new starts and the ongoing CP&E investigations that we are talking about.

MANPOWER CEILINGS

Moving on to the third subject you inquired about, manpower changes. The fiscal year 1984 ceiling of 28,935 full-time equivalent workyears is a reduction of 1,629 workyears from the fiscal year 1983 ceiling of 30,564 workyears. This reduction will necessitate some consolidation of functions and assignment of civil works personnel to military activities. Nevertheless, I am confident that the fiscal year 1984 strength ceiling of 28,935 workyears will be met without adverse effects.

However, I would like to point out that in fiscal year 1982 the Chief of Engineers, in trying to consolidate some of the functions, was prohibited by Congress from making certain structural changes in district office alinements which made sense from an efficiency standpoint. I am afraid if we get a continuation of the prohibition, it is going to make it more difficult to achieve the workyear reductions proposed for fiscal year 1984.

FISCAL YEAR 1983 SUPPLEMENTALS

Moving on to the fourth subject, rescissions, deferrals, and supplementals. There are no rescissions proposed for fiscal year 1983. However, part III of the President's budget does propose certain supplementals and a deferral of $40 million into fiscal year 1984. The deferral message was sent to the Congress on February 1, 1983 and is printed in House Document 98-15.

The fiscal year 1983 supplementals consist of the following:

A transfer of $110 million from Construction, General to Operation and Maintenance, General; and a transfer of $30 million from Construction, General to Flood Control, Mississippi River and Tributaries.

Both of these transfers are appropriate in view of the fact that the Continuing Resolution provides funds in excess of fiscal year 1983 requirements for Construction, General and inadequate funds for normal operation and maintenance activities and maintaining schedules on Mississippi River and Tributaries work.

SUPPORT LEGISLATION

Moving on to the matter of necessary legislative initiatives. There are three legislative initiatives necessary to support the fiscal year 1984 budget request. Navigation user fees are an integral part of the President's fiscal year 1984 program, and the Department will be submitting inland and deep-draft navigation cost recovery legislation in the near future that would generate the projected receipts for navigation contained in the fiscal year 1984 civil works budget. In addition, the Department will submit legislation that would authorize recreation user fees necessary to realize the projected increase in receipts from recreation shown in the fiscal year 1984 budget.

Our recreation user fee legislation would authorize the collection of fees comparable to those of other Federal agencies. The authority would permit the recovery of a larger percentage of operation and maintenance costs from those individuals who actually use the corps' recreation facilities.

Mr. Chairman, this completes my statement and we are available, all three of us, and others who might be available in the audience to back us up, to answer any questions which the committee may have.

PROJECT PRECONSTRUCTION PLANNING AND ENGINEERING

Senator **ABDNOR**. Thank you, Mr. Secretary. I am sure there will be some questions. We have been joined by Senator Randolph, who is certainly the dean of us all here and knows the right questions to ask, I am sure, and also our new member, Senator Humphrey, who is new to this committee but certainly not to the Senate. We are happy to see these gentlemen were able to join us.

What details can you give us, Mr. Secretary, regarding specific items that may be included in the President's job proposal? What specific corps projects would be involved?

Mr. **GIANELLI**. I think in response to one of the questions you asked us, Mr. Chairman, we gave you a tabulation of projects, as I recall, grouped according to the length of additional time required for preconstruction planning and engineering. Let me elaborate on those, if I could.

Senator **ABDNOR**. I have that list here.

Mr. **GIANELLI**. If you would refer, Mr. Chairman, to our letter of February 16 and the attachments we have listed there on table I, for example, those projects which we have recommended for new construction starts in both fiscal years 1983 and 1984. Those were included on the basis that construction could get underway in fiscal years 1983 and 1984, so they would be ready to go immediately. We have also listed in the next tabulation, table I-C, under the category of Engineeringly Active Projects, five projects which are ready now and could move pretty fast. Listed in table I-D of that same attachment are projects Reviewed But Not Proposed For Construction. We have in subsequent tables tried to indicate to you those projects—for example, on table II-A another of my enclosures to the February 16 letter, where no more than 18 months of additional preconstruction planning is required, and on table II-B projects where, we believe, at least 18 months but less than three years of additional preconstruction planning is required before they would be ready for construction.

So we have tried to list for the committee's use different categories of preconstruction planning and engineering which I think would respond to your question, Senator.

PRESIDENT'S JOBS BILL

Senator **ABDNOR**. That is very helpful. It is certainly well put together.

Is the President and the administration reviewing these to select some for his jobs package?

Mr. **GIANELLI**. Mr. Chairman, I have not been involved with the discussions which the administration has been having with the Congress on the jobs bill. I know that those discussions have taken place. My understanding is that they are still going on. But I have not been involved with them.

In our appearance before Senator Hatfield yesterday on our budget required for fiscal year 1984, the Senator indicated that he had had some discussions with people in the administration as recently, as I understood him, as yesterday morning concerning the jobs bill and the subject of user fee tie-ins and which projects might be included. I have the impression that certainly there will be some water projects included, but I am not knowledgeable of which of those projects may be included in that jobs bill.

EMPLOYMENT POTENTIAL

Senator **ABDNOR**. Do you feel that projects like this will put a lot of people to work?

Mr. **GIANELLI**. Well, I think the projects that are ready to go to construction, Mr. Chairman, would certainly have an impact in terms of jobs. It would put a considerable number of people to work.

One of the problems with many of the corps projects is that it is going to be a year or two before we can complete the design and before the project would have an impact on the jobs market. Those final stages of preconstruction planning and engineering do not require large numbers of people, rather they require largely Corps expert staff. So until you can get the projects into the construction stage, there probably won't be a large impact in terms of jobs. But, of course, as we indicated, there are some that could go pretty rapidly.

Senator **ABDNOR**. If they want instant jobs, this is not the best place to go.

Mr. **GIANELLI**. There are projects in various categories. I think it is pretty hard to generalize because I think some of them would have an impact on some jobs right away, as soon as you could get them under contract, but others would have to wait until further design work was done. At the time they go to construction contract; that would be the time when the primary job impact, I would say, would be felt.

Senator **ABDNOR**. Would you notify us if you learn of any changes?

Mr. **Gianelli.** Yes, sir, we will. I would hope that our office becomes involved as they talk about the details of the jobs bill and focus on specific projects. I think it would be helpful to everyone.

Senator **Abdnor.** Fine.

CONTACT WITH LOCAL SPONSORS

Mr. Secretary, out of the 150 or so projects that are ready or close to being ready for authorization, what percentage of the local sponsors have been contacted for innovative financing arrangements?

Mr. **Gianelli.** I think we have contacted very few of those, Senator. The way we have proceeded is to ask the Corps to give us a list of those projects which are pretty far advanced in terms of engineering and design and which could be expedited. The Corps has come up with a list of projects, and we have pursued those, as indicated in our proposed new construction starts for 1983 and 1984. But we have not gone very much beyond those projects in inquiring from the local sponsors whether they would be willing to cost share under any sort of an arrangement.

I would like to say parenthetically that we have had good response from those people who are sponsors of the projects included in our new construction start program for 1983 and 1984. But going beyond that, we have not had a great amount of dialogwith the sponsors of those other projects that could be included possibly in subsequent lists.

OPTIONS AVAILABLE TO PROJECT SPONSORS

Senator **Abdnor.** What happens to some of the good projects? Where do they go when the State can't come up with matching funds? Will they just be ignored, or are other kinds of arrangements being given?

Mr. **Gianelli.** Mr. Chairman, you recall when we made our presentation last year to you with respect to the 1983 new start program we indicated it was a voluntary program and that we went to the various project sponsors and gave them the option of trying to work out with us additional cost sharing or they could also have the option of waiting for the Congress to express itself so the project could proceed using the historical formula. So I would say the option is available to all of these people as to whether they want to expedite the construction by trying to work out additional measures on cost sharing or whether they want to wait for the usual process, which would include the arrangements that have been made in prior years.

Senator **Abdnor.** Thank you.

Senator Bentsen, you were here next.

MOUTH OF THE COLORADO RIVER, TEX. PROJECT

Senator **Bentsen.** Thank you very much, Mr. Chairman.

Mr. Secretary, I want to raise a couple of points regarding the Mouth of the Colorado River project, which I must say I am very frustrated over. Let me recount the history for you.

Let me first state that I am a Senator who doesn't push these projects unless they are the most meritorious projects in the State of Texas. Those that are without reasonable cost-benefit ratios I just don't get involved with.

Here is one in fiscal year 1981 where the Congress appropriated, as I recall, $2.6 million for the project, but because, as the corps said, they hadn't signed a formal section 221 agreement, that money had to be diverted elsewhere.

In 1981, the local sponsors tell me that the corps indicated that if the locals would sign it, then the funds would be transferred in 1982 and the project would be continued. When the President's budget request for 1983 was transmitted to Congress, no funds were included. I then asked the corps why the funds were excluded for 1983 and encouraged the transfer of fiscal year 1982 funds. I got back a classic Catch-22 response.

The corps, who had told the locals that signing a section 221 agreement would allow them to receive the fiscal year 1982 funds, responded to me that there were no funds in the fiscal year 1983 budget because the section 221 agreement was signed too late to consider resumption of the project in fiscal year 1983. Then the corps explained that fiscal year 1982 funds would not be transferred because no fiscal year 1983 funds would be available.

Now that really is something that is very difficult for me to understand. Certainly the locals don't understand it. I observe that no funds are included in the fiscal year 1984 budget request either.

This is a worthwhile project. People down there have done what was expected of them. I get these bureaucratic answers and I just don't see the logic in them. It makes it very difficult to retain confidence in what is being done.

Mr. GIANELLI. I understand, Senator. With your permission, I would like very much to—I am not intimately familiar with this project—I would like to spend a little time becoming familiar and certainly we will respond to the committee by letter with respect to the status of it. I appreciate your comments.

Senator BENTSEN. I really want you to take a look at this one. I am not hitting you with a whole series of projects. But there ought to be a way that we can be responsive in these things. The details have been shored up as far as what the locals are supposed to do.

FREEPORT HARBOR, TEX. PROJECT

I have another project here that has been a great frustration, and that is Freeport Harbor. That has a cost- benefit ratio of about 6 to 1, I believe. Again, it is one where the Corps and the local navigation district worked out an agreement and began reconstruction for the harbor. That is essential to the subsequent deepening of the inner harbor, and the jetty had to be repaired anyway.

So the locals agreed to a cost sharing basis on that jetty of 50-50 because if they were going to have to repair it, then you might as well go ahead and move the thing and enter into the 50-50 cost sharing agreement. The deepening of the harbor itself wasn't settled. This committee recommended the action taken on the administration request for funding of the jetty relocation. Now I have the problem the Appropriations Committee is not willing to go along without some authorization change.

Senator **Randolph**. You have mentioned it many times; isn't that true?

Senator **Bentsen**. I sure have. It is tough when you have a project with a 6 to 1 ratio.

Mr. **Gianelli**. Let me say, Senator, this is one I am very familiar with. We are trying very hard to get this under construction. As a matter of fact, we have worked out I believe, a very equitable arrangement between the Federal Government and the local interests. That project is ready to go.

One of the problems that I think we are——

Senator **Bentsen**. Are you seeking authorization action on it?

Mr. **Gianelli**. It doesn't require authorization action. All we have to do is to get the funds and go on it. That is my recollection. It is all authorized. So the problem is one of funding it.

Senator **Bentsen**. That is right.

Mr. **Gianelli**. So we are ready to go.

But let me point out it is an unusual arrangement in terms of the financing we worked out with the local people. We have been meeting with them. I think we have it all worked out. It involves, as you indicated, initially the construction of the north jetty in a new location.

Senator **Bentsen**. That is right.

Mr. **Gianelli**. We think it should proceed. I am going to come to the Congress here within the next couple of weeks and ask them permission to allow us to go ahead with that project. We have funds in our budget to proceed, but there is some question whether or not the Congress has approved the arrangement that we worked out with the Freeport people. So what I am going to do is come to the Congress with a specific arrangement—and I might say we have been meeting with them as recently as last week—and ask for permission from the Congress to go ahead and start that project. It is one that should move ahead. We are ready to go on it.

Senator **Bentsen**. All right. I appreciate your answer.

Thank you, Mr. Chairman.

Senator **Abdnor**. Senator Humphrey?

CORPS ROLE IN JOBS PROGRAM

Senator **Humphrey**. Thank you, Mr. Chairman.

Mr. Gianelli, details so far are pretty sketchy on this jobs program, but I understand that one of the major elements is to accelerate projects that have already been approved. Can you explain what the corps' role will be in this program?

Mr. **Gianelli**. I think, Senator, I am not really sure what is going to come out of the jobs bill. I know that the discussions are going on. I have been told, at least yesterday Senator Hatfield certainly inferred, there would be some of the Corps of Engineers public works programs that come out of that. But I am not familiar with where those negotiations stand. We have furnished information to OMB that is similar to that which we furnished to this committee. I assume at some point in time they will come back to us and we will respond specifically with respect to any proposal which they are putting forth.

Senator HUMPHREY. Have there been queries to your office on how you might participate in this? Has there been some liaison? Are you involved?

Mr. GIANELLI. Only to the extent of furnishing information, for example, the committee has asked us to set priorities on projects and indicate which projects we could move ahead more rapidly than others.

ADEQUACY OF BUDGET REQUEST

Senator HUMPHREY. Well, if the corps is to accelerate projects which are on the shelf—then these authorizations will be insufficient, will it not?

Mr. GIANELLI. I assume there will have to be some augmentations, yes.

Senator HUMPHREY. The rationale behind this means job creation; that is, the acceleration of already approved projects. It seems to me it is a little bit faulty. You don't have the money on hand, do you, sitting in a safe somewhere to pay for the costs of accelerated projects? Do you have money on hand?

Mr. GIANELLI. We have funds, as I indicated, Senator, in the corps budget to carry on certain construction programs that the corps has underway. If there are large new programs imposed on the corps, obviously we don't have adequate funds in our budget to do that.

FEDERAL FINANCING

Senator HUMPHREY. Right. So you will have to have greater appropriations, and that means, does it not, a need for greater borrowing on the part of the Federal Government? If a project was originally planned for let's say fiscal year 1985 and under the jobs program it is proposed to be done or started at least in 1984, that is going to require greater borrowing in 1984, isn't it?

Mr. GIANELLI. I assume that whatever the source of funds is for the jobs bill, this would be a part of it. I assume what you are saying is probably correct, yes.

Senator HUMPHREY. I am not sure you are getting my point. Let me try it again.

Everyone seems to think that this is some sort of magical solution, that we can create new jobs by speeding up projects that are already approved. But we are going to have to finance those projects.

Mr. GIANELLI. Oh, yes.

Senator HUMPHREY. That means more borrowing. So it is not without its penalty. It means more borrowing by the public sector at the expense of the private sector, and therefore less private sector jobs creation; isn't that right?

Mr. GIANELLI. I assume that is a rationale that could be used, Senator, yes.

Senator HUMPHREY. I wondered if I somehow didn't understand the situation because it doesn't look all that attractive to me. It is just another, it seems to me, way of pulling the wool over the eyes of the public. There is no magical solution. Speeding up projects just means more Federal borrowing and it means a weaker private sector and slower recovery. Unless I am mistaken. It seems so obvious to me I wonder why it isn't obvious to others, and therefore I wonder if I am right.

This isn't your bailiwick, of course, but it happens to be one of my pet projects. If we really want to have economic recovery, we ought to lay off the private sector and let it prosper, not take more into our own hands in the way of Federal projects which will preclude and preempt resources that otherwise would contribute to a real recovery.

INCREASED PARTICIPATION BY NON-FEDERAL INTERESTS

Mr. GIANELLI. If I could comment, Senator. What you say is one of the things that worries us very much. If you look at the Corps' construction program, it is going downhill, I think as the Chairman indicated. What I have been trying to do since I have been back here the last 2 years is to develop a corps public works program which will require a higher degree of participation by non-Federal interests and take whatever Federal dollars we have and spread them much further. I haven't been very successful thus far in selling that program.

Senator HUMPHREY. Yes.

Mr. GIANELLI. But one of the things that I think we can do in terms of the public works program is to get a higher degree of participation from non-Federal interests and therefore take some of the burden off the Federal treasury. That has been one of the major thrusts of what I have been trying to do in 1983 and 1984. So far it has not been accepted, at least by the Congress. I am hopeful as we come back on a project-by-project basis we can demonstrate that it is the way to go.

I think before this committee in December, as I recall the testimony by Alice Rivlin, Director of the Congressional Budget Office, she made it very clear that she felt, for example, "the principle of user fee financing is the cornerstone of an efficient infrastructure program." That is what we have been trying to do. At least in an indirect way I think I am trying to get at some of the things you are interested in in terms of the public works program.

Senator HUMPHREY. I am very interested in your effort. I wanted to clarify the matter that this proposed acceleration is not a painless way of creating jobs. It means more Federal spending, more Federal borrowing, which means less private sector expansion. It seems that simple to me.

TENNESSEE-TOMBIGBEE WATERWAY

Let me turn to the subject of the Tennessee-Tombigbee Waterway. What now is the estimate for completing this project? Do you have that?

Mr. GIANELLI. You are talking about funds or timewise?

Senator HUMPHREY. Both.

Mr. GIANELLI. Let me respond, if I can, first for funding, Senator.

Senator HUMPHREY. Yes.

Mr. **Gianelli**. We have included $186 million in the 1983 budget for Tennessee-Tombigbee. Our 1984 request is down to $90 million, less than half.

Senator **Humphrey**. Excuse me for interrupting you, but let me interject at this point, from reading your testimony very briefly—and I apologize for not being here at the outset—I got the impression that this savings is simply lower bids.

Mr. **Gianelli**. It is a combination. The Tennessee-Tombigbee project is phasing down in terms of its construction requirements. There are two things I think that act to contribute to the reduced funding requirement.

First of all, we are on the downside in terms of construction contracts. Contract bids that have been coming in have been good. So it is a combination.

The outyear funding requests are rapidly decreasing for Tennessee-Tombigbee. In 1985 we expect to have another $90 million probably, and then following that it drops off to $22 million in 1986, $18 million in 1987, and ends up in 1988 with $13.5 million. So we are rapidly going down with respect to the funding requirements for the Tennessee-Tombigbee project.

Now, for the purpose of through-navigation, the project will be operational, we expect, as I recall, in 1985. September 1985, General Wall informs me.

Senator **Humphrey**. Then when is it finally completed?

Mr. **Gianelli**. I guess there is some work that would go on, particularly maybe some of the recreation part, as late as 1989 or later.

Senator **Humphrey**. What will be the total cost then?

Mr. **Gianelli**. The total cost through that period Mr. Steinberg informs me would be $1.82 billion.

Senator **Humphrey**. We have spent how much so far?

Mr. **Gianelli**. Federal cost——

Senator **Humphrey**. Appropriated through 1983.

Mr. **Gianelli**. It looks like it would be about $1.5 billion of the $1.8 billion, roughly.

Senator **Humphrey**. All right. Thank you.

Thank you, Mr. Chairman.

Senator **Abdnor**. Senator Randolph?

VALUE OF THE CORPS PROGRAM

Senator **Randolph**. Thank you, Chairman Abdnor.

I guess the Corps of Engineers has been doing business since what, before 1825? What was the year?

Mr. **Gianelli**. A long time, Senator.

General **Wall**. 1824, Senator.

Senator **Randolph**. I have always been attracted to the work of the Corps of Engineers. I have worked for 25 years in the Senate and about 14 years in the House. I always have worked for and with you in behalf of the strengthening of the programs that are within the jurisdiction of the Corps of Engineers.

Sometimes we talk about agencies and indicate that their work has somehow or other been diminished. That will never be so with the Corps of Engineers because you are part and parcel of keeping

America strong, keeping the products moving and benefiting the people.

I have some remarks, Mr. Chairman, that I will ask be placed in the record at an appropriate place.

Senator **ABDNOR**. Without objection, they will be included following my opening remarks. (See p. 276.)

STONEWALL JACKSON, W. VA PROJECT

Senator **RANDOLPH**. Mr. Gianelli, I want to come somewhat closer home. As Senator Bentsen talked about the projects that he understands, there are some that I also wish to discuss with you. First of all, what is the status dollarwise for the Stonewall Jackson Lake in West Virginia?

Mr. **GIANELLI**. Senator, I understand that the budget for 1984 includes $26 million for construction.

Senator **RANDOLPH**. Pardon me? I was diverted.

Mr. **GIANELLI**. I say the 1984 budget includes $26 million for construction at Stonewall Jackson.

Senator **RANDOLPH**. Since the early seventies we have worked on this important flood control and water basin effort. What is the amount of money that is now being spent or is in the process of being spent on that project?

Mr. **GIANELLI**. Senator, I understand that there will have been spent some $109 million, including the $26 million included in the 1984 budget. Up through 1983, it is my understanding we spent about $83 million, largely for land acquisition and relocations, I am told.

Senator **RANDOLPH**. How does the Corps of Engineers look at this project for continued necessary funding and completion?

Mr. **GIANELLI**. Your question, sir?

Senator **RANDOLPH**. How does the corps look upon the timing for the continuation of funding and the completion of this project?

Mr. **GIANELLI**. I think the $26 million that is included in the 1984 budget would allow the award of the major contract of the dam. Then the remaining work would be done, as I understand it, over a period of about 4 to 5 years.

Senator **RANDOLPH**. Then is it possible to say in the discussion of this project that a half dozen years are involved before it would be in use and in operation?

Mr. **GIANELLI**. It would be more accurate, to say that it will be operational by mid-1987, about 1½ years before scheduled completion, Senator.

Senator **RANDOLPH**. We are just as dedicated to the completion of this project now as at the very beginning when I joined with others in advocating it. I shall not speak of the pros and cons, except to say that I never saw a corps project that doesn't have its opponents as well as its proponents. So in this instance, I want to say that we mean to do everything we can, legislatively, to have the project completed and to have its benefits within as short a time as possible.

NEED FOR CORPS PROJECTS

As you know, Mr. Gianelli, West Virginia is a State that has no natural lakes. But with the corps, we have developed many, many worthwhile projects, Bluestone Lake, Summersville Lake, Sutton Lake, R. D. Bailey Lake, and others. So these lake projects have meant very, very much to us, not only from the standpoint of the protection of the public in the flow of water downstream but also they have contributed to the recreational benefit, literally, of hundreds of thousands of people, from the standpoint of fishing, water skiing, and boating of one type or another. The general use of these waters has gone beyond just the category of protecting the flow of water at certain stages of the year. You are familiar with that?

Mr. **Gianelli**. Yes, sir, I am.

Senator **Randolph**. Is that generally your feeling about such projects?

Mr. **Gianelli**. Yes, sir. I have to say that I am a water person, Senator. I spent all of my life developing water projects. I think they have done a great deal of good, as you indicate.

Senator **Randolph**. You can understand that in West Virginia we had certain reasons to understand the constructive impact of a program of this kind. I don't want to just talk about something that I thought was necessary. I never could understand why the corps wanted to call them reservoirs and dams. People who are looking for a recreation area look at a map and they see a reservoir and dam, that is sort of forbidding in itself. You think of it as someplace that is enclosed and forbidden to the public.

So a long time ago I tried to get the corps to change that. The corps perhaps is set in its ways, and that is no criticism, but they would never respond to my appeals. The record will show that I offered legislation that they be called lakes in West Virginia, and that passed and became law, and on your maps they were so indicated. I guess 2 years later the corps decided that that might be a good procedure throughout the country. Was that done?

Mr. **Gianelli**. I don't recall, and I will have to ask the corps perhaps to respond. But let me say, Senator, I agree with you. I think the connotation dam and reservoir sometimes brings on opposition which shouldn't be there just by virtue of the nomenclature. I think probably a better definition would be artificial lakes and natural lakes; in other words, to carry the connotation lake.

I agree with you that I think the corps and I think most water development agencies have not gotten credit for the bodies of water which they have created which, as you indicate, are very extensively used throughout the United States for recreation purposes and for fishing and for wildlife. Certainly your point is well taken.

Senator **Randolph**. In our consideration within this committee we have considered the benefits, giving proper place to that, not diminishing the other uses of those bodies of water. That is correct, is it not?

Mr. **Gianelli**. I think that is true. My offhand experience tells me, too, Senator, that once you construct an impoundment like that, an artificial lake, that probably the recreation use becomes one of the things which the people in the area recognize it for and perhaps not for some of the other purposes which are very important, too. But I think that is the use that a lot of the public can realize and appreciate.

Senator **Randolph**. I want to be on the record again in commending the programs of the Corps of Engineers. You know, it is not a very glamorous piece of work you are engaged in. It doesn't have headlines attached to it, except often that another pork barrel project has been approved in this committee and passed by the Congress. That isn't true, is it?

Mr. **Gianelli**. I don't believe so, Senator.

Senator **Randolph**. No. And the record shows that is not true. It shows these are programs that benefit the areas where they are also protecting properties, lives, and providing wholesome recreation for literally millions of people in this country.

INLAND WATERWAYS TRUST FUND

Now I want to ask you if it is not true that a considerable balance has begun to accumulate in the Inland Waterways Trust Fund. When will the administration be proposing funds from that trust fund for the rehabilitation projects?

Mr. **Gianelli**. Senator, it is my understanding in 1981 the administration did request those funds be appropriated for utilization; and, as I indicated in my statement, the administration will be submitting some legislation very shortly with respect to navigation user fees. It would be my expectation that that legislation would include provisions for the use of that fund, which I think now has accumulated somewhere around $55 million.

Senator **Randolph**. You don't look upon the money as stashed away.

Mr. **Gianelli**. We certainly will have plenty of use for it, Senator, in the programs we have.

Senator **Randolph**. I think I, not from a cursory but, rather, careful study, would say that is true.

GALLIPOLIS LOCKS AND DAM, OHIO AND WEST VIRGINIA

Now let's be very specific. Let's talk about the replacement project on the Ohio River called Gallipolis. Will you tell us what the current situation is?

Mr. **Gianelli**. Yes, Senator. That is a project, as I recall, that would cost over $300 million at current price levels. The report from the Chief of Engineers has been completed. It is in my office and I have talked to the Office of Management and Budget about the project. I would say at the present time it is awaiting some sort of resolution of the navigation cost recovery legislation for the inland waterway system issue before we move it ahead, because it certainly would be involved in view of its large capital funding requirements.

Senator **Randolph**. The subcommittee chairman, Senator Abdnor, very properly, asked about projects and where they were in planning and design over the next 3 years and when could they go to construction. Nowhere on these lists, I believe, are any major navigation rehabilitation projects. Perhaps you can help us with at least placing in the record detailed information on future scheduling, and certainly this would include, with the high priority, as I see it, Gallipolis on the Ohio River.

Mr. **Gianelli**. Senator, I think in the attachment—question 1 to our testimony today is a list of projects, some of which cover the inland waterway system. I think Gallipolis is included in that list in our response to question 1 which the Senator asked of us.

[The information requested by Senator Randolph follows:]

Senator **Randolph**. Could you tell the Committee how you propose to fund this important rehabilitation project?

Mr. **Gianelli**. The inland navigation projects are the one exception to our proposal to increase participation on the part of project beneficiaries in the financing of new work. Because inland navigation projects are elements in a larger system and do not stand alone as viable economic units, financing of their construction must be a Federal responsibility. Accordingly, I would expect the Gallipolis project to be funded either out of the Inland Waterways Trust Fund or out of General Appropriations. The Administration's forthcoming inland navigation cost recovery proposal specifically addresses use of the trust fund receipts for future work on the inland navigation system.

Senator **Randolph**. Thank you very much, Mr. Gianelli, you and your associates. I think I have again said today the importance of the fact that you are not doing a hit-and-miss program. You are doing a continuing program in stages. We understand the dollar problem, as do you.

About how many people are employed in the Corps of Engineers? I want that on the record.

Mr. **Gianelli**. Approximately 28,000, Senator. In the civil works area you are talking about?

Senator **Randolph**. Yes. I am talking about civil works.

Mr. **Gianelli**. I will let perhaps General Wall elaborate on that.

Major General **Wall**. Thank you, sir.

There are about 8,000 to 10,000 more in the military programs in support of the military construction.

Senator **Randolph**. I wasn't thinking of that.

Major General **Wall**. 28,000 is the right number, sir.

Senator **Randolph**. Thank you very much. I am very grateful for having the opportunity to explore these things with you.

EXPENDITURES FOR PLANNING

Senator **Chafee** [presiding]. Mr. Gianelli, last year you and I discussed the question of sharing the costs of studies. It was my understanding that you were going to seek to implement an effort to share these costs. I note in your testimony, which I did not have a chance to hear, but I just quickly looked over it, you say, "too much money has been spent on studies that have not produced implementable projects."

What is happening here? Just to review the bidding, every self-respecting Governor will ask for a study by the Corps of Engineers for anything that comes along since it doesn't cost the State any money. I have participated in these myself. When the study comes through and the Corps of Engineers has spent a good deal of money on it, in some cases into the millions, and it comes back that the local community has to contribute so much, the State has to contribute so much, maybe 30 or 40 or 20 percent, whatever it might be, the communities of the States have no interest in doing that and, indeed, never had any interest. So my recommendation was that the studies be funded on the same basis that the eventual project was. If the State or local community wasn't prepared to put up 30 percent for a study, then clearly they would never put up 30 percent for the final project.

You agreed with me on that, as I recall, and can you tell me what has happened?

Mr. GIANELLI. Yes, Senator. I think I have the same concerns you had expressed at that time.

Senator CHAFEE. Now am I interpreting what you are saying here correctly or is this a different subject?

TWO PHASE PLANNING PROCESS

Mr. GIANELLI. No. This is exactly the subject we were talking about. Let me explain to you what we have done and perhaps then you will have further questions.

I have been concerned about the money that has been spent by the corps in producing studies that don't go anywhere. I think we have some statistics we can supply you to back that up. So rather than continue that process, I have asked the corps to break down their studies into two parts—this is what we do in the private sector—into what I call a reconnaissance study and then a full feasibility study.

I have said I am willing to have the reconnaissance study, for example, funded at full Federal expense, recognizing that the reconnaissance study would only take about 20 or 25 percent of the total cost of the full feasibility study. Then I said following the reconnaissance study, which I believe could be completed in about a year, if it looked like the project had merit, then we would go ahead with the full feasibility study. At that time we would ask the non-federal interests to put up 50 percent of the cost of the full feasibility study. That, I believe, would be an indication of their degree of interest in going ahead with the project. This is what we have asked the corps to do in connection with the studies it has underway.

Senator CHAFEE. I agree with that. What is happening now? That is what your suggestion is. Where are we going? Are you doing it?

COST-SHARING OF STUDY PROGRAM

Mr. GIANELLI. Eight of the new starts which we propose this year will be on that basis. In other words, there will be a reconnaissance study for 1 year, funded at Federal expense. Then, if it looks like the projects have an ability to go ahead, we will ask for the non-federal interest to put up 50 percent, 25 percent of which could be in-kind and the other half perhaps which could be in cash.

Senator CHAFEE. I am skittish about in-kind contributions. I think in-kind contributions are a great sleight of hand trick, again which I participated in. It is vastly inflated. But if you have the 25-percent cash, then you really have something.

Mr. Gianelli. That is correct. That is why we tried to work it that way, Senator. It has been my experience over the years that there are certain things, for example, the State might be able to contribute by virtue of information that it has or information that it can collect. We should give them credit for that. On the other hand, there ought to be a limit on that because I think the real test is their willingness to put up such cash.

Senator CHAFEE. No question about it.

Mr. GIANELLI. That is the basis upon which we have asked the corps to proceed.

Senator CHAFEE. Do you think you can do this? Do you think you can pull it off?

Mr. GIANELLI. Well, I tell you, I am becoming less optimistic about my initiatives as I move along. The new start program, which I am very enthused about, which I explained in my presentation——

Senator CHAFEE. I missed that. Where is that?

Mr. GIANELLI. Senator, in my initial presentation here, I mentioned that the committee was furnished copies of a presentation I made to the Senate committee yesterday, Senator Hatfield's committee.

Senator CHAFEE. OK. I missed that.

Mr. GIANELLI. There is a section 4 on innovative financing, on page 8 of my statement to the Senate subcommittee, Senator Hatfield's committee. I think it goes into detail as to what we have been trying to do. Let me quickly capsulize, if you will allow me.

Senator CHAFEE. Please.

Mr. GIANELLI. Last year we put into the 1983 budget a request for nine projects, nine new Construction starts, on a new basis of cost sharing. All of these new starts were already authorized. We have that set forth in our presentation which we made to the Senate committee. We have those nine projects listed. And we also included the five new construction starts in our 1984 budget.

Now in the reports that came out of the congressional committees, both the Senate and the House, they expressed some skepticism about that new start program and the cost sharing that we had assumed. We are going to come back now with specific requests to the committees and ask for their permission to start these new projects on the basis of the cost sharing which we have assumed.

Now, we have also said that, if the Congress or the administration changes the formula on cost sharing which we have assumed we will adjust our program. But we have felt, and I think that in the testimony that was presented to this committee, as I alluded to earlier, by Alice Rivlin, the Director of the Congressional Budget Office, there is the specific statement that, "The principles of user fee financing and cost sharing are the cornerstone of an efficient infrastructure program." Further, she indicates that "The willingness of users to finance infrastructure through fees charged from the resulting benefits is the truest test of the need for and appropriateness of individual infrastructure investments."

So I view her as being supportive of what we are trying to do in the way of additional cost sharing and user fees. This is the program we have been trying to advance for 1983 and 1984. But I have to say it has not been received with a lot of enthusiasm from a lot of areas around the country.

Senator CHAFEE. That is probably the understatement of the year. Everybody else has had a free ride. Why start charging now.

Well, good luck. I always thought there was already set up a cost-sharing provision for the actual implementation of the projects. Isn't there?

Mr. GIANELLI. Well, there have been some assumptions on the basis of which the projects proceeded in the past.

Senator CHAFEE. You mean to increase the local, non-federal share.

Mr. GIANELLI. Yes, sir. That is correct.

Senator CHAFEE. Good luck with both of those. You will probably have more luck with the implementation of the sharing of costs required to study the projects. That is a minor cost. Anyway, I hope you succeed on your studies.

You mentioned the Tenn-Tom. You say it is $90 million, less than half of last year's request of $186 million. "Finally, a significant factor contributing to the reduction"—I don't know if you are referring by "the reduction" to the Tenn-Tom reduction. Were the reduced requirements based on the favorable low bids? Are you referring to Tenn-Tom? That is on page 2 of your testimony.

Mr. GIANELLI. Yes. The main reason for the reduction from $186 million last year, or 1983, to $90 million in the 1984 budget is the fact that the construction program is going down, Senator. In other words, it is on the downtrend in terms of construction contracts. Further, the contracts that have been awarded have been more favorable from a cost standpoint because of the competition.

Senator CHAFEE. Are you doing anything south of Demopolis in connection with Tenn-Tom?

Mr. GIANELLI. No, we are not.

Senator CHAFEE. I know that you have a continuing, ongoing program south of Demopolis. You already have cuts through there now. But I am talking in connection with Tenn-Tom.

Mr. GIANELLI. No, we have not, Senator.

INLAND WATERWAY CHARGES

Senator CHAFEE. What are you talking about when you say your inland waterway charges? In your testimony you are talking about recreational and inland waterway charges. You say:

> Our legislative proposal this year for inland waterways will provide that the major portion of the costs is paid from sources other than the General Fund of the Treasury.

I couldn't agree with you more. Currently is there any charge to use that inland waterway? I have been in motels or hotels or apartment houses next to that waterway in very high rent districts and have seen monstrous yachts chug their way down there and bridges go up for them at the blast of a horn. Is that all courtesy of the American taxpayers?

Mr. GIANELLI. I think there has been a variable tax rate in effect since September 1980, with the current 6-cent gasoline or fuel tax in effect since 1981. I don't know if you were here when Senator Abdnor was here but we indicated that the Inland Waterways Trust Fund has already accumulated some $55 million.

Senator CHAFEE. That is only on commercial barges.

Mr. GIANELLI. That is from traffic on the inland waterway system.

Senator **Chafee**. I am talking about the 80-foot power cruisers that go majestically through the canal.

Mr. **Gianelli**. No.

Senator **Chafee**. Bridge after bridge opening for them. That is the courtesy of the Government?

Mr. **Gianelli**. That is correct. It has been funded primarily 100 percent Federal, except for the fuel tax.

Senator **Chafee**. I am astonished at that. I don't see why taxes from Kansas should go to open a bridge for some rich fellow going down the canal.

Mr. **Gianelli**. Let me say, Senator, we are going to suggest legislation which will have substantial user fee amounts assessed for the inland waterway system and also for the deepwater ports. That legislation will be introduced very shortly.

You recall, and I think we indicated in our statement, we have assumed certain receipts, assuming that legislation is enacted, and hopefully that will come about.

Senator **Chafee**. I hope you succeed.

RECREATION USER FEES

What are you thinking about when you talk about recreational user fees? I am for user fees. We, the government, always seem to run into trouble trying to impose them. What was your suggestion? If somebody takes their Boston Whaler on a lake that has been dammed up and goes water skiing, you would get a recreational fee?

Mr. **Gianelli**. One of the problems, Senator, is that the corps is presently is restricted in its collection of fees to those facilities used by overnight visitors. The legislation we will be submitting will suggest that the corps be authorized to collect fees from visitors using certain day-use facilities—something which many other agencies have authority to do. So what we are really trying to do is bring the corps onboard so they can raise fees from recreation use similar to other Federal agencies and other local agencies. Basically it will have to do with authorizing the corps to collect day-use fees which they are not now authorized to do.

Senator **Chafee**. I am for that. Would the fees go into some kind of restricted fund?

Mr. **Gianelli**. The plan is that it would go into a special fund and then would be available for appropriation and use by the corps, presumably in connection with the administration of recreation around the corps reservoir.

Senator **Chafee**. I think restricted funds are bad government, but sometimes they are a palatable way of peddling a fee; that is, peddling the imposition of it. But overall, I think they are bad.

Mr. **Gianelli**. Senator, I think one thing the user fee will do is focus attention on the fact that the Federal Government is perhaps subsidizing recreation from the O&M standpoint. If you have the fees collected and what the O&M cost to the Government is for these recreation facilities, I think it would make it very clear then, for example, the amount of subsidy provided to those recreation users.

CORPS WORK OVERSEAS

Senator **Chafee**. My last two questions. Senator Randolph made some laudatory statements about the Corps of Engineers in connection with the work that he has seen in the United States. I would like to just say a word about your overseas work.

It has been my privilege to have seen what you did in Saudi Arabia. I think that the esteem and respect that the U.S. Corps of Engineers is held in overseas, particularly in the Arab countries, is astonishing. We all should be grateful for it. Apparently the corps has built up a reputation there of honesty and integrity and efficiency. As I understand it, the Government of Saudi Arabia funnels through the corps very vast sums of money, and the corps is in the position of what we would call a project manager; is that correct?

Mr. **Gianelli**. Yes, sir. General Wall has just come from the overseas effort. I think he could respond.

Senator **Chafee**. I think all of us can take considerable pride in this tribute to the integrity with which you are viewed.

Go ahead, General.

General **Wall**. I was just going to say that I just came from Israel and the Israeli Air Base program, which was another case in point there, not only for the efficiency and integrity but also for the responsiveness of getting things done on time. Those two air bases in the Negev were built a year early and were completed and had to be completed in support of the Camp David peace accords, to allow the withdrawal of the Israeli troops from the Sinai on the 25th of April 1982.

In Saudi Arabia there are vastly more funds, as you pointed out, billions of dollars, where the Israeli Air Base program was $1 billion 40 million. The Saudia Arabia program is many, many billions of dollars. But we are in that program because of our integrity and efficiency and responsiveness.

REGULATORY REFORM

Senator **Chafee**. I think it is wonderful. Now the final question, Mr. Gianelli. You and I have been around on this many, many times, but as far as the 404 permit program goes, I just hope you would cease and desist what I view as your efforts to constantly change that. Am I being unusually severe on you?

Mr. **Gianelli**. Yes, sir, you are.

You are right, Senator, we haven't talked for a while and perhaps we need to update our dialogue. But I would hope that we could convince you that we are not trying to dismantle the program, because I think there are those who have indicated that.

What we are really trying to do is make it operate more efficiently. I certainly hope that we are going to be able to do that. I think we have made some progress in that effort. I think we still have some other things to do. But I certainly want to assure you in every way I can that we are not trying to dismantle that program. We are just trying to make it operate in a way that people can get a decision out of the Government in a reasonable amount of time. Hopefully we can work with you in that effort because we are certainly, I think, interested in the same things.

Senator **Chafee**. Well, Senator Moynihan is waiting and has some questions. Let me just say that the word efficiency always makes me skittish in connection with environmental protection. You can be extremely efficient by reducing the response time, the answers, to a week by just overlooking a host of potential problems and saying yes. That is the ultimate in efficiency. The person would get an answer, right then. We are dealing with a very, very fragile system here in this country, and the Corps of Engineers, despite the laudatory things that Senator Randolph said about your domestic work, has not always been as conscious of what they are doing. I think there is an increasing recognition that the channelization that has taken place in Mississippi and other rivers has been extremely damaging to the environment of the Nation. You do one thing and it leads to another, a response that costs a lot of money and brings us right back to the fact that perhaps the initial construction should never have been done.

But I am not going to get into that now. I would be glad to meet with you.

There are some questions that Senator Stafford and other members of the committee will be submitting to you in writing. We would appreciate answers to them. We will include in the record various tables and other documents that came with your budget request.

Senator Moynihan.

DIVISION OF CORPS WORK

Senator **Moynihan**. I have just two questions. They lead from Senator Chafee's observations.

We are devoted to the Corps of Engineers in this committee. It is our corps, as we regard it. I find it a little odd, even so, that your most heroic enterprises at the moment are all in the Middle East. I haven't been out there. I would like to go. But there was a time when the Corps of Engineers did most of its work in the United States. We hope to see that time again.

Would it not be the case that on a cash-flow basis, you are doing more work overseas than you are doing at home?

Mr. **Gianelli**. We can certainly check that out for you.

Senator **Moynihan**. Would you?

Mr. **Gianelli**. Sure. Let me point out, as I think General Wall indicated, some of that work, for example, in Saudi Arabia, we are doing on a 100-percent reimbursable basis.

Senator **Moynihan**. I know that, Mr. Secretary. You know the affectionin which we hold you and the candor with which we speak to you, that the waterprograms of the United States have virtually come to a halt. We can't find the political consensus. We can't find funds. It is not happening. It doesn't show the credit of anyone involved. We are trying to solve it.

Mr. **Gianelli**. I agree and will provide the information you requested for the record.

[Information requested by Senator Moynihan follows:]

MISSION AND OTHER WORK—FISCAL YEAR 1982 ACCRUED EXPENDITURES BY PROGRAMS [1]

[In thousands of dollars]

Category of work	Civil works	Military DOD activities
Regular programs	3,019,522	2,784,518
Work for others:		
Other Federal agencies	111,132	8,260
Foreign government	6,903	2,563,528
State and other non-Federal interests	44,147	
Total costs	3,181,704	5,356,306

[1] Based on appropriations and reimbursements.

STATUS OF LEGISLATION

Senator **Moynihan**. In the matter of ports, you say in your testimony that you are going to be sending us legislation in the near future.

Mr. **Gianelli**. Yes, sir.

Senator **Moynihan**. With great respect, sir, I have been in positions comparable to yours in the Government and the half life is brief. It is brief authority. Before you leave, will you send us a bill? I am serious because we haven't got a bill. We are getting all kinds of horrific proposals coming out of the various areas. We can't find a common interest. You can speak for national interest. Everyone here, almost on constitutional terms, speaks for a narrower interest.

Mr. **Gianelli**. Senator, I appreciate what you say. We in the Army prepared some cost recovery legislation and it is now before the Office of Management and Budget. I am very hopeful they will give us the OK to send that to the Congress because I think within what we prepared we have gone a long way to trying to reconcile some of the differences. It also would allow some of the good projects to proceed. So I am very hopeful that we can get that to the Congress in the next 30 days. I am really hopeful.

Senator **Moynihan**. Good for you.

Mr. **Gianelli**. I am pushing the Office of Management and Budget as hard as I can, believe me.

Senator **Moynihan**. I don't want to put any Central American ideas in your head, but you could always consider bulldozing the place if they won't.

STATUS OF ADMINISTRATION'S COST SHARING PROPOSALS

Then one other question on cost sharing. This is to continue Senator Chafee's line of questioning. We have been hearing for 2 years that the administration is going to send us a formal cost sharing proposal, but we haven't gotten it. We get bits and pieces, and the Appropriations Committees are not impressed. I am not. I am not pleased in the least to find the budget for the reclamation program is up this year and the budget for corps programs is down.

These are not theoretically especially complex questions. You put some numbers on activities and say this is how we propose to do that. Do you think you can get us legislation on that?

Mr. **Gianelli**. Let me report to you on that, Senator, because I think you are due a response, because you and I talked about this almost 2 years ago.

Senator **Moynihan**. Two years ago. You are over your time, incidentally.

Mr. **Gianelli**. Yes, sir. You were correct in your time estimate, and perhaps we were wrong. But at any rate, let me give you the status of what you talked about, and that is the administration's cost sharing proposals.

The Cabinet Council on Environment and Natural Resources in May of last year approved certain percentages for certain types of water uses, based upon recommendations which my group, the Assistant Secretary's group, had made to them prior to that time. Those recommendations were not sent to the President. Basically I think one of the problems was that there was an awful lot of resistance from the hinterland in terms of the recommendations which I think were about to be made. As a result, the Cabinet Council last month took up the matter again and recommended that the Governors in particular and local interests be given an opportunity to submit their comments on cost sharing one more time. It is proposed that those comments should come in by the middle of next month. I think the 25th of March has been set as a date when we have asked them to come in. It would be my hope immediately following that, after our evaluation, that we will send up to the President some specific recommendations for each one of these types of water uses.

But let me say, Senator, that what we have done in our 1983 and 1984 budgets is that the President has approved in terms of a supplemental budget request for 1983 and in terms of his January recommendations for 1984, an approach for financing and cost sharing new construction starts which we are taking with respect to corps projects. I have every reason to believe what we are trying to do in 1983 and 1984 is consistent with what the administration will come up with as a final recommendation. Now, if it is not, we will adjust our 1983 and our 1984 program. But my approach has been that we ought to get going and we ought to get on with the job with respect to cost sharing. We have made certain assumptions. We have talked to non-Federal interests. They have agreed to it. We are going to proceed, hopefully, if we get the Congress' approval, on some 13 projects in 1983 and 1984, using higher degrees of cost sharing than originally have been the case.

NEED FOR LEGISLATION

Senator **Moynihan**. Not to cut you short sir, I certainly don't mean to do that, but get us a bill. Time is running out very quickly and people will again be saying, "We will do it." That is a reality. If we don't have this legislation out of here by August, will we pass it in this Congress, John?

Senator **Chafee**. We get bogged down because there is an election coming up and nobody wants to gore anybody's ox.

I want to echo what Senator Moynihan is saying, because throughout testimony you say we will have, our legislative proposal for inland waters, our legislative proposal for recreational fees, and so forth. Let's have them, because time is very short up here. We just don't have that much time to work. Whatever we do has to be duplicated in the House. So I want to reinforce what Senator Moynihan said and urge you to get on with it as quickly as possible.

Mr. GIANELLI. Thank you, Senator.

Senator MOYNIHAN. Thank you, Mr. Chairman.

MAINTENANCE OF TECHNICAL EXPERTISE

Senator CHAFEE. Thank you, Mr. Secretary and General Wall.

One other thing. It seems to me, as I view the overseas work by the Corps of Engineers, it not only is in the terms of good will, it is not only in the terms of providing a service, but also it is a way of giving our officers tremendous experience in a variety of working conditions and difficulties and monstrous undertakings that, absent that, they wouldn't have. Is it a way of keeping your professional expertise in top shape? General Wall?

General WALL. Yes, sir, it certainly is. And mobilization is a very key reason for keeping the Corps of Engineers around, to get this training in these certain large-scale construction jobs, wherever they might be, locally and overseas, so that we will be ready in the unhappy event we are required to mobilize and support theater operations in logistical matters.

I might point out that we do have some exciting projects other than in Saudi Arabia. There are some in South America, Honduras——

Senator MOYNIHAN. I have every confidence that maybe in Tasmania you are doing something.

Senator CHAFEE. Just briefly tell us what you are doing there. You do work for the government of Honduras?

General WALL. Well, there is an extension of the air field in the military construction built there. We are going down to Haiti to look at the drought conditions in civil works very soon.

Senator CHAFEE. They asked you to come down?

General WALL. Yes, sir.

Senator CHAFEE. Because they have confidence that——

General WALL. Well, we are preeminent in the water resources business and hydrology and that sort of thing and are so recognized. We have been, as Senator Moynihan knows, over to China several years ago looking at hydroelectric power, dams and so forth. We looked in Korea at the Han River. There are exciting things going on all around.

Back into the training concept, I am reminded of a project I was on in 1963–64 in Thailand where we used combat engineers on a civil project to build the Bangkok bypass Bangkok road, all with troops and engineer soldiers. This was very, very good training. So these facilities are available to us and they are very, very worthwhile.

Senator CHAFEE. I know it was the Corps of Engineers, for example, that, I believe with General Summerville, built the Pentagon, was it not?

General WALL. No, sir. That was General Groves.

Senator CHAFEE. Leslie Groves.

Senator MOYNIHAN. He went on to build Los Alamos.

General WALL. The Pentagon is a rather remarkable building. It is the largest building in the world and was designed and constructed in 1 year.

Senator CHAFEE. Is that right?

General WALL. Yes, sir.

Senator CHAFEE. That is extraordinary. It must have been about what, 1939 or something?

Mr. GIANELLI. 1942, as I recall.

Senator CHAFEE. Then based on the experience that was gained there, the officers went forward and applied their talents in the war.

General WALL. Yes, sir.

Mr. GIANELLI. Senator, I would like to add, as long as you brought it up, I am one of those old people involved in World War II. I was Second Lieutenant in the Corps of Engineers in the beginning of World War II. One of the concerns that I have now is that we keep a corps capability, because in reflecting on my own experiences, we were down in the Pacific. We were left right after Pearl Harbor. The work that the Corps did by virtue of being able to mobilize their forces—for example, our first stop was in Hawaii right after Pearl Harbor. If the corps hadn't been there doing some civil works functions, I don't think we would have been able to carry on the activities in terms of a mobilization effort the corps carried on out there.

One of the things that worries me very much is as our budget goes down in the corps, that we lose a technical capability, because I think you have in effect a Government engineering group here that is highly qualified, and certainly we should maintain that talent if we possibly can so that it is available in terms of national and natural emergencies or manmade emergencies to respond. I think that is very important.

Senator CHAFEE. I agree with that, obviously within limit. You have to have a limit to this. That is why I hope you will continue doing this overseas work in the event that there aren't adequate large-scale projects here in this country. I suppose with the decline in the price of oil, though, the projects in the Middle East will obviously decline.

Mr. GIANELLI. Over a period of time, probably.

Senator CHAFEE. Thank you, gentlemen.

[Whereupon, at 11:43 p.m., the committee was recessed, to reconvene subject to the call of the chair.]

[Mr. Gianelli's prepared statement, responses to written questions, and testimony from agencies unable to appear personally follow:]

STATEMENT OF WILLIAM R. [illegible]

ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

BEFORE THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

ON THE FISCAL YEAR 1984 CIVIL WORKS BUDGET

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

INTRODUCTION

I am pleased to appear before your Committee today to discuss the Army's Civil Works Program and Fiscal Year (FY) 1984 Budget recommendations. The Director of Civil Works of the Corps of Engineers, Major General John F. Wall, who today makes his first appearance before this Committee, and the Chief of Programs of the Civil Works Directorate, Bory Steinberg, are with me and will assist in presenting testimony.

With your permission, Mr. Chairman, I would like to proceed by asking that my statement be placed in the record of these hearings. The Statement addresses the five areas which you specifically mentioned in your letter of February 7th. My response to the additional five questions attached to your February 7th letter is appended to my statement. The information requested in your letter of February 1st is complete, and has been submitted to the Committee. I ask that, in accordance with your letter, my response be included in the record of these hearings. The Committee also has been furnished copies of the statement which I presented on the FY 1984 Civil Works Budget to the Energy and Water Development Subcommittee, Committee on Appropriations, United States Senate.

1. FY 1984 BUDGET AND PRIOR YEAR COMPARISON

The table on the following page is a summary, by appropriation account, of the Civil Works budget request for FY 1984, and it shows the amounts obligated in FY 1982 and made available in FY 1983.

As shown on the attached table the total budget request for FY 1984 is $2.102 billion, net of offsetting receipts which are estimated at $492 million. Included in the estimated receipts is $454 million which would be realized under revised navigation cost recovery and recreation user fee legislation supported by the Administration. The gross request thus amounts to $2.594 billion which, together with the $40 million available from this year's deferral, is approximately a four percent reduction from the FY 1983 Budget request. The FY 1984 budget includes five new construction starts and follow-on funding for the new starts proposed in FY 1983. For the information of the Committee, I am attaching a table which lists the names, total cost and Federal and local financing of 14 new construction starts (9 in FY 1983 and 5 in FY 1984) proposed on the basis of innovative financing.

The amount actually obligated in FY 1982 was $2.968 billion, exclusive of $7.4 million in permanent appropriations. This amount, defined as the current rate, becomes the amount available under the CRA for FY 1983.

2. FUNDING CHANGES

The most significant changes in funding levels between FY 1983 and 1984 are in the Construction, General and General Investigations Accounts. The Construction, General reduction is due mainly to completion of 25 construction projects in FY 1983, and the fact that in FY 1984, 12 more projects are completing and many of the others are nearing completion. For example, the request for the Tennessee-Tombigbee Waterway is $90 million, less than half of last year's request of $186 million. Finally, a significant factor contributing to the reduction was the reduced requirements based on the favorable low bids which have been experienced

ARMY CIVIL WORKS PROGRAM
FISCAL YEAR 1984 BUDGET REQUEST: COMPARISON WITH FY 1982 AND FY 1983

(Dollar amounts in thousands)

Appropriation Title	Fiscal Year 1982 Appropriation	Fiscal Year 1982 Obligations 4/	FY 1983 CRA and Supplemental Amount	FY 1984 Budget
General Investigations	137,225	129,042	129,042	110,400
Construction, General	1,429,992	1,421,405	1,241,405 2/	905,700 1/
Flood Control, Mississippi River and Tributaries	256,310	263,052	293,052 2/	290,000
Operation and Maintenance, General	1,025,355	1,023,667	1,147,367 2,3/	1,161,300
Flood Control and Coastal Emergencies	40,000	29,877	29,877	10,000
General Expenses	96,000	96,000	100,100 3/	103,000
Special Recreation Use Fees	4,784	4,942	4,942	6,000
Permanent Appropriations	12,191	7,400	7,400	7,700
Revolving Fund	0	0	0	0
Total New Budget Authority	3,001,857	2,975,385	2,953,182	2,594,100
Offsetting Receipts (Federal)				
Regular				(-38,000)
Inland Waterway Trust Fund				(0)
Inland Waterway User Fees				(-213,000)
Deep Draft Navigation User Fees				(-225,000)
Recreation User Fees				(-16,000)
Elimination of Surplus Property Sales Receipts				(8)
Total Receipts				-491,992
Total Net New Budget Authority				2,102,108 1/

1/ Does not include $40 million of FY 1983 CRA Allowance under Construction, General deferred for use in FY 1984.

2/ Reflects transfer of $110 million from Construction, General to O&M, General; $30 million to Flood Control, MR&T and $40 million deferred until FY 1984.

3/ Pay Raise Supplemental of $13.7 million O&M, General and $4.1 million General Expenses are included.

4/ Reflects "Current Rate".

within the last one and one half years and the anticipated moderate future inflation rates on contracts scheduled for award in FY 1984.

With respect to General Investigations, the program which we are proposing for FY 1984 differs from the current year program in two important respects. First, we have included funds on a selected basis to initiate new studies: eight surveys, eight CP&E's and two AE&D's. No new studies were proposed in FY 1983. Second, pending resolution of the issues of cost sharing and user fees, we are concentrating our planning and engineering efforts, both with respect to studies underway and new studies, on those investigations which we believe ultimately will result in projects being built. Based upon indications from local sponsors, the CP&E new starts appear to have a reasonable chance of implementation pursuant to cost sharing formulas being discussed. The new surveys would be conducted in two phases, as I indicated a year ago, and FY 1984 funding would complete the first, or reconnaissance, phase of the survey at 100 percent Federal cost.

There is evidence, Mr. Chairman, that too much money has been spent on studies that have not produced implementable projects. Accordingly, the Department of the Army is proposing in FY 1984 that overall General Investigations funding be reduced 15 percent, from $129 million in FY 1983 to $110 million in FY 1984. Funding for continuation of planning and engineering has been held close to its FY 1982 level. Nonetheless, in addition to the 18 new starts, the $110 million requested does provide for continuation of 122 surveys, 19 CP&E studies and 25 AE&D projects. It is my view that the Federal Government at this time should bear the full study costs of the 8 CP&E new starts and the ongoing CP&E investigations.

3. MANPOWER CHANGES

The FY 1984 ceiling of 28,935 full time equivalent (FTE) workyears is a reduction of 1,629 workyears from the FY 1983 ceiling of 30,564 workyears. This reduction will necessitate some consolidation of functions and assignment of civil works personnel to military activities. However, a major change in guidance commencing in FY 1983, the single control on FTE workyears rather than separate ceilings for full-time permanent employees and all other employees, gives the Corps added flexibility in the management of its manpower resources. The 1,629 workyear reduction will require a strategy that will maintain Corps strengths while facing the realities of changing workload. The Chief of Engineers currently is working on a multi-faceted approach which:

--Maintains a technically responsive and viable civil works organization capable of timely response to the directions of both the Administration and the Congress;

--Streamlines the organization where feasible;

--Supports military programs;

--Maintains a strong Defense Mobilization Support Capability; and

--Supports the "Federal Engineer" concept by providing engineering and construction expertise to other Federal Agencies.

Part of the workyear reduction will occur as the Corps reduces the number of Corps-owned and -operated dredges. Other reductions will be the result of consolidation of finance and accounting offices and of personnel offices and the contracting out of selected work formerly done in-house. For the near term, the completion of a number of construction projects reduces our requirements in that area. Therefore, I am confident that the Fiscal Year 1984 strength ceiling of 28,935 workyears will be met without adverse affect. However, I would like to point out that in FY 1982 the Chief of Engineers was prohibited by Congress from making certain structural changes in district office alignments which make sense from an efficiency standpoint. A continuation of this kind of prohibition would make it more difficult to achieve the workyear reductions proposed for FY 1984.

4. RECISSIONS, DEFERRALS AND SUPPLEMENTALS

There are no rescissions proposed for FY 1983. However, Part III of the President's Budget does propose certain supplementals and a deferral message was sent to the Congress on February 1, 1983, and is printed in House Document 98-15.

The FY 1983 supplementals consist of the following:

--A transfer of $110 million from Construction, General to Operation and Maintenance, General.

--A transfer of $30 million from Construction, General to Flood Control, Mississippi River and Tributaries.

Both of these transfers are appropriate in view of the fact that the Continuing resolution provides funds in excess of FY 1983 requirements for Construction, General and inadequate funds for normal operation and maintenance activities and to maintain schedule on Mississippi River and Tributaries work.

An evaluation of the current rate for Construction, General indicated that the total amount available under the Continuing Resolution was $180 million greater than required in the current fiscal year. Accordingly, in addition to the proposed transfers of $140 million which I described, the remaining $40 million has been deferred until FY 1984 and will be used to finance part of the Construction, General program next year.

5. NECESSARY LEGISLATIVE INITIATIVES

There are three legislative initiatives necessary to support the FY 1984 budget request. Navigation user fees are an integral part of the President's FY 1984 Program, and the Department will be submitting inland and deep draft navigation cost recovery legislation in the near future that would generate the projected receipts for navigation contained in the FY 1984 Civil Works budget. In addition, the Department will submit legislation that would authorize recreation user fees necessary to realize the projected increase in receipts from recreation shown in the FY 1984 budget.

We are preparing a new legislative proposal for deep draft navigation. Our proposal will generate substantial annual revenues to offset annual Corps of Engineers operation and maintenance outlays and provide for significant non-Federal participation in new project financing. The new legislative proposal also will provide a procedure for expediting the authorization of new projects.

We worked very hard last year to develop a practical mechanism for inland navigation user charges that would collect substantial revenues and keep all elements operating. Our legislative proposal this year for inland waterways will provide that the major portion of the costs is paid from sources other than the General Fund of the Treasury.

Enactment of navigation cost recovery legislation will facilitiate major increases in the efficiency of the deep draft ports, as well as capacity expansion at specific inland system elements, such as Gallipolis on the Ohio, where tows are subject to long delays, and rehabilitation of older inland navigation projects on the Upper Mississippi, the Ohio, the Allegheny, and the Monongehela Rivers.

Our recreation user fee legislation would authorize the collection of fees comparable to those of other Federal agencies. The authority would permit the recovery of a larger percentage of operation and maintenance costs from those individuals who actually use the Corps' recreation facilities.

This completes my statement, Mr. Chairman. We are available to answer the Committee's questions.

ARMY CIVIL WORKS PROGRAM
FY 1983/84 PROPOSED NEW CONSTRUCTION STARTS
($ millions)

FISCAL YEAR 83/84 1/	PROJECT/TYPE/NAME	TOTAL CAPITAL COSTS 2/	FEDERAL FINANCING		LOCAL FINANCING	
			TRADITIONAL	PROPOSED	TRADITIONAL	PROPOSED
	NAVIGATION SAFETY					
83	Freeport Harbor, TX (North Jetty-3700')	25.8	24.4	12.9	1.4	12.9
	SMALL BOAT HARBOR					
84	Bodega Bay, CA	4.815	2.725	1.235	2.09	3.58
	HYDROPOWER					
83	Bradley Lake, AK 3/	478.0	478.0	0	0	478.0
83	Strube Lake, OR	110.0	110.0	2.175	0	107.825
83	Bonneville Fishway, OR & WA	21.5	21.5	0.500	0	21.0
	SUBTOTAL	609.5	609.5	2.675	0	606.825
	FLOOD CONTROL					
83	Davenport, IA	49.3	42.3	30.0	7.0	10.3
83	Merced, CA	112.0	88.4	72.7	23.6	39.3
83	Kahoma Streams, HI	21.8	16.1	14.2	5.7	7.6
83	Virginia Beach, VA	5.85	4.51	3.8	1.34	2.05
84	Fairfield Co. Streams, CA	35.5	20.0	19.6	15.5	15.0
84	San Luis Rey, CA	47.4	36.1	30.6	11.3	16.8
84	Bassett Creek, MN	33.2	28.247	21.6	4.953	11.6
84	Ellicott Creek, NY	24.98	14.55	14.55	10.43	10.43
	SUBTOTAL	330.03	250.207	207.05	79.823	122.98
	MULTIPURPOSE					
83	Randleman Lake, NC	177.0	83.0	76.0	94.0	101.0
	TOTAL	1147.145	969.832	299.86	177.313	847.285

1/ Projects designated FY 1983 were included in the FY 1983 new starts budget amendment submitted to Congress by the President on May 25, 1982.

2/ 1 October 1982 prices inflated through the construction period.

3/ Project has now been deauthorized as local sponsors intend to construct the project on their own.

DEPARTMENT OF THE ARMY

OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

RESPONSE

OF

WILLIAM R. GIANELLI

ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

TO FIVE ADDITIONAL QUESTIONS

ATTACHED TO THE FEBRUARY 7, 1983, LETTER

OF HONORABLE ROBERT T. STAFFORD, CHAIRMAN

AND HONORABLE JENNINGS RANDOLPH, RANKING MINORITY MEMBER

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

UNITED STATES SENATE

February 17, 1983

QUESTION 1: Please provide the Committee with a list of those unauthorized Corps of Engineers projects that could go into construction by the end of Fiscal Year 1984, if the project were to be authorized, and if construction funds were made available.

RESPONSE: As the Committee is aware, the last Water Resource Development Act was enacted into law in 1976. Since that time a significant number of potential projects have been approved on a technical basis by the Chief of Engineers. It is my view that reports recommending projects should take into consideration willingness of local interests to share in the cost of financing the projects as well as the technical aspects of engineering and economic criteria. In Fiscal Year 1982, when we created the new category of funding, that of continuation of planning and engineering, it was our intent to continue budgeting, on a selected basis, high priority projects of national importance so that once the projects were authorized, the Corps could proceed to construction. It was also our expectation that the issue of navigation user fees would be resolved and local interests supporting flood control projects would agree to our 65 percent Federal and 35 percent non-Federal formula.

With the Fiscal Year 1984 budget, we will have advanced engineering and design far enough along on approximately seven projects which have been funded for continuation of planning and engineering. These are sound projects and, I am hopeful, we will have the necessary local financing and, in the case of deep draft and inland waterway projects, we will have enacted navigation cost recovery legislation to permit early implementation once they are authorized. The following is a list of unauthorized Corps of

Engineers projects that could go into construction by the end of Fiscal Year 1984, provided the funds were authorized, the local financing was assured and, in the case of deep draft and inland waterway projects, navigation cost recovery legislation was enacted, and the construction funds were made available:

- McNary Lock and Dam (Second Powerhouse), Phase I, OR & WA
- Arkansas River, Great Bend, KS to Tulsa, OK at Halstead, KS
- Gallipolis Locks and Dam, OH & WV
- Oakland Outer Harbor (Deepening), CA
- Fisherman's Wharf Area, San Francisco Harbor, CA
- Norfolk Harbor, VA
- Bonneville Navigation Lock, OR & WA

QUESTION 2: Please discuss the degree to which the Corps has the capability to increase spending in the remainder of Fiscal Year 1983 on maintenance and construction in an effort to relieve the unemployment problem. Please list specific types of work and specific projects where the Corps has a capability greater than current appropriations.

RESPONSE: With funds available for Operation and Maintenance in Fiscal Year 1983, including the proposed $110 million transfer, and pay raise supplemental, the Corps has sufficient funds for normal operation and maintenance at existing projects. A higher level of maintenance, beyond normal maintenance, could be accomplished at Corps projects in the interest of providing better service to the public, although I would discourage providing funds for make-work activities. There also is the potential for accomplishing some work this year that is budgeted in the Fiscal Year 1984 Operation and Maintenance Budget.

In addition to normal operation and maintenance, which I have discussed above, there is the need to rehabilitate many older Corps structures. This is a long term need which, like construction projects, requires advance engineering and design and generally could not be performed in Fiscal Year 1983. The only exceptions possibly could be the three new major rehabilitation projects budgeted in Fiscal Year 1984.

As you know, the Fiscal Year 1983 new construction starts which the President submitted to Congress in his May 25, 1982, Budget Amendment could be undertaken in the current Fiscal Year. However, Congress has not taken action on this proposal.

QUESTION 3: Please discuss the Administration's initiatives on cost sharing and user charges that can be expected to be sent to the Congress.

RESPONSE: Three legislative proposals should be submitted by the Department of the Army in the area of cost sharing and user charges in the next 30 days. These are inland navigation cost recovery, deep-draft navigation cost recovery and recreation user fees. Cost sharing policies for the other project purposes, which are served by the activities of the other Federal water project constructon agencies as well as the Corps of Engineers, have been under discussion by the Cabinet Council on Natural Resources and Environment for some time. Indeed last summer the Cabinet Council reached agreement on cost sharing policies for these other purposes, which include flood control, hydropower, municipal and industrial water supply, agricultural water supply, recreation and fish and wildlife enhancement. These policies, however, have not formally been approved by the President. There has recently appeared in the Federal Register a notice soliciting additional public comment on new cost sharing and financing policies for water projects. Notwithstanding the delay in the announcement of more comprehensive policies, the President has included in his Fiscal Year 1983 budget, as amended, and his Fiscal Year 1984 budget, several civil works project new starts based on innovative financing. Innovative financing is a means of allowing productive projects to move ahead with the understanding that, if new legislation emerges which could change the level of non-Federal contribution, we will adjust our new starts programs for FY 1983 and FY 1984. We would expect the President to address the comprehensive cost sharing program sometime this spring.

QUESTION 4: Six and one-half years have passed since any significant water resources authorization bill has become law. Please discuss the Administration's position on the need for omnibus water resources legislation during the 98th Congress.

RESPONSE: In putting together our new starts proposals we have been trying to proceed on the basis of submitting projects with high local interest and a willingness to participate in the innovative financing goals we have set for new starts in Fiscal Year 1983 and 1984. In looking at new starts we have considered both authorized and unauthorized projects, recognizing that, in the case of unauthorized projects, congressional authorization of the project as well as approval of appropriations would be required before the project could be initiated.

We believe that the practice of authorizing large numbers of projects that have little or no chance of proceeding to construction for a variety of reasons, unfortunately, has resulted in much wasted effort, both on the part of the Congress and the Administration and ultimately has resulted in the cumbersome process of project deauthorization. Also, omnibus authorizations of projects could be a real disservice because it misleads the public with regard to the ability of the Federal Government to perform and often prevents state and local governments from moving ahead to solving water resource problems in a timely way. As a reflection of our concern with the backlog of obsolete authorizations, the Department of the Army is developing a legislative proposal to modify Section 12 of the Water Resources Development Act of 1974 (P.L. 93-251) to facilitate deauthorization of out-of-date projects.

QUESTION 5: Please provide information on the trends in spending in constant dollars, in the varicus components of the Corps program.

RESPONSE: There is no doubt that the general trend in construction spending for the Civil Works program of the Corps of Engineers is a decreasing one. We view the Corps as the Government's Engineer and consider Civil Wroks as an important means of keeping the Corps in a state of preparedness to respond to national emergencies. The continued erosion of the Civil Works program, if not reversed, will hamper the ability of the Corps to maintain its capacity to respond in time of emergency. It is because of this concern that we had been developing new systems of financing which would allow productive Civil Works projects to be constructed. Another way must be found to use limited Federal dollars to address as many water problems as possible and hence our commitment to the innovative financing approach.

A comparison of the number of new construction starts under historical cost sharing formulas in the late 1970's and in 1980-1982 clearly shows a downward trend when compared with the 1960's and early 1970's. The lack of new starts in recent years is reflected in the declining construction program. For example, the Fiscal Year 1972 Budget included 223 construction projects while the Fiscal Year 1984 Budget contains only 149 projects. Innovative financing offers a practical means of getting some new starts in the program. The historical formulas have not produced new starts in recent years.

During the 1970's the General Investigation funding increased. Yet, the General Accounting Office has stated that the Corps and other Federal water agencies have spent too much on studies that have not produced implementable projects. Therefore, as I described in my opening remarks, the FY 1984 General Investigations Budget is down by about 15 percent from Fiscal Year 1983, although there are 18 new study and planning starts proposed in the budget.

The operation and maintenance budget continues to grow as more projects come on line and as projects get older. The larger repair and rehabilitation projects are budgeted under the major rehabilitation program in the Construciton, General account.

In accordance with your request, we are furnishing you trends in constant dollars (1965 dollars) for a number of years by appropriation account.

TABLE I

CORPS OF ENGINEERS APPROPRIATIONS
FY 1967 THROUGH FY 1984
(Dollars in Millions)

ALL APPROPRIATIONS

Fiscal Year	Actual Appropriation	Value in July 1965 Dollars
1967	1,293	1,293
1968	1,305	1,249
1969	1,246	1,124
1970	1,157	955
1971	1,310	1,002
1972	1,589	1,097
1973	1,952	1,190
1974	1,770	1,031
1975	1,757	927
1976	2,184	1,074
1977	2,487	1,091
1978	2,784	1,148
1979	2,790	1,096
1980	3,263	1,185
1981	3,100	1,044
1982	3,002	944
1983	2,975	844
1984	2,634 (Budget)	787

TABLE II

CORPS OF ENGINEERS APPROPRIATIONS
FY 1967 THROUGH FY 1984
(Dollars in Thousands)

GENERAL INVESTIGATIONS

Fiscal Year	Actual Appropriation	Value in July 1965 Dollars
1967	32,450	32,450
1968	34,445	31,332
1969	30,015	25,147
1970	41,191	31,183
1971	39,023	27,895
1972	50,714	33,116
1973	57,805	34,707
1974	56,142	32,180
1975	65,284	34,926
1976	66,836	34,490
1977	71,920	32,227
1978	107,046	46,906
1979	137,978	56,296
1980	142,145	53,391
1981	134,013	46,659
1982	137,225	41,778
1983	129,042	41,634
1984	110,400 (Budget)	34,901

TABLE III

CORPS OF ENGINEERS APPROPRIATIONS FY 1967 THROUGH FY 1984 (Dollars in Thousands)

CONSTRUCTION GENERAL*

Fiscal Year	Actual Appropriation		Value in July 1965 Dollars
1967	965,955		965,955
1968	967,599		921,523
1969	862,714		778,454
1970	711,992		587,058
1971	851,178		650,494
1972	1,025,084		703,844
1973	1,203,943		727,002
1974	873,589		503,399
1975	966,338		502,248
1976	1,237,151		600,460
1977	1,430,195		618,436
1978	1,537,820		620,945
1979	1,343,711		507,796
1980	1,660,966		584,957
1981	1,593,892		516,469
1982	1,429,992		434,923
1983	1,421,405		355,801
1984	945,700	(Budget)	285,374

*Excludes FC MR&T

TABLE IV

CORPS OF ENGINEERS APPROPRIATIONS
FY 1967 THROUGH FY 1984
(Dollars in Thousands)

OPERATIONS AND MAINTENANCE

Fiscal Year	Actual Appropriation	Value in July 1965 Dollars
1967	178,900	178,900
1968	193,00	190,532
1969	227,300	208,611
1970	261,824.9	222,986
1971	301,830.5	235,031
1972	388,519	274,604
1973	407,100	258,420
1974	426,625	258,822
1975	494,577	267,804
1976	582,073	291,050
1977	667,600	300,217
1978	768,870	328,051
1979	833,100	343,600
1980	942,100	356,887
1981	967,905	342,250
1982	1,025,335	336,140
1983	1,023,667	317,124
1984	1,161,300 (Budget)	336,819

TABLE V

CORPS OF ENGINEERS APPROPRIATIONS
FY 1967 THROUGH FY 1984
(Dollars in Thousands)

GENERAL EXPENSE

Fiscal Year	Actual Appropriation	Value in July 1965 Dollars
1967	18,014	18,014
1968	19,515	18,586
1969	21,875	18,237
1970	25,356.6	19,483
1971	27,586.4	19,656
1972	29,723	19,982
1973	32,183	20,181
1974	35,083	21,903
1975	40,100	23,912
1976	43,700	23,435
1977	49,050	24,501
1978	60,000	28,494
1979	68,900	30,838
1980	76,800	31,896
1981	86,630	32,706
1982	96,000	34,286
1983	96,000	32,523
1984	103,000 (Budget)	32,183

TABLE VI

CORPS OF ENGINEERS APPROPRIATIONS
FY 1967 THROUGH FY 1984
(Dollars in Thousands)

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

Fiscal Year	Actual Appropriation	Value in July 1965 Dollars
1967	87,135	87,135
1968	87,135	84,034
1969	69,600	63,973
1970	80,820	65,615
1971	83,987	63,731
1972	86,000	59,310
1973	111,620	66,051
1974	264,600	149,147
1975	120,051	61,060
1976	205,147	100,614
1977	231,497	99,741
1978	253,081	101,340
1979	223,035	86,056
1980	210,515	77,129
1981	237,519	80,544
1982	256,310	83,475
1983	263,052	80,600
1984	260,000 (Budget)	83,196

ROBERT T. STAFFORD, VT., CHAIRMAN

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United States Senate
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
WASHINGTON, D.C. 20510

February 7, 1983

The Honorable William R. Gianelli
Assistant Secretary of the Army
(Civil Works)
Room 2E570
The Pentagon
Washington, D.C. 20310

Dear Secretary Gianelli:

The Committee on Environment and Public Works is required by section 301(c) of the Congressional Budget Act of 1974 to make a report to the Committee on the Budget by March 15. The purpose of this report is to make recommendations on fiscal year 1984 spending levels for the programs within the Committee's jurisdiction.

The Senate Budget Committee intends to expedite its consideration of the First Concurrent Budget Resolution for fiscal 1984. In order to provide recommendations on a timely basis, the Committee plans to make its report to the Budget Committee by March 1 rather than March 15. Because of the significance of the work of the Army Corps of Engineers, we request that you appear at 10 a.m. on Thursday, February 17, 1983, in room SD 406 to testify on the President's Budget submission. Your testimony will be used by the Committee in making its recommendation to the Budget Committee.

We ask that your testimony address the following areas:

1. Please discuss in detail the budget request for fiscal year 1984. How do these figures compare to the amounts actually obligated in fiscal year 1982 and appropriated in fiscal year 1983?

2. Please discuss the rationale for the increases or decreases in the level of funding for fiscal year 1984. In the programs where reductions have been made, what specific areas of the program will be reduced or eliminated and what will be the effect of these reductions? In areas where programs are increased, what will the additional funds provide? If there is no change in funding from last year, have any changes been made in program priorities?

3. What personnel increases or decreases are being proposed? How will this affect the agency's ability -- including any additional time it may take -- to carry out its program responsibilities?

4. Please discuss any rescissions, deferrals or supplementals requested.

5. Please indicate if any legislative initiatives are necessary, or are being considered, to implement any part of the agency's fiscal 1984 budget request. If so, please describe these proposals.

In addition, we request that you respond to the attached list of questions, and submit this as part of your testimony.

We appreciate your cooperation and prompt attention in providing the Committee with this important information. Please provide the Committee with 50 copies of your prepared statement 48 hours prior to your appearance.

Sincerely yours,

Jennings Randolph

Robert T. Stafford

Jennings Randolph
Ranking Minority Member

Robert T. Stafford
Chairman

RTS:js

ADDITIONAL QUESTIONS FOR SECRETARY GIANELLI

1. Please provide the Committee with a list of those unauthorized Corps of Engineers projects that could go into construction by the end of fiscal year 1984, if the project were to be authorized, and if construction funds were made available.

2. Please discuss the degree to which the Corps has the capability to increase spending in the remainder of fiscal year 1983 on maintenance and construction in an effort to relieve the unemployment problem. Please list specific types of work and specific projects where the Corps has a capability greater than current appropriations.

3. Please discuss the Administration's initiatives on cost-sharing and user charges that can be expected to be sent to the Congress.

4. Six and one half years have passed since any significant water resources authorization bill has become law. Please discuss the Administration's position on the need for omnibus water resources legislation during the 98th Congress.

5. Please provide information on the trends in spending, in constant dollars, in the various components of the Corps' program.

February 1, 1983

The Honorable William R. Gianelli
Assistant Secretary of the Army (Civil Works)
Room 2E570
The Pentagon
Washington, D.C. 20310

Dear Secretary Gianelli:

To assist the work of the Committee on Environment and Public Works, it would be helpful to have a breakdown of the authorized backlog of Corps of Engineers water resources projects, together with your analysis of that breakdown. Specifically, I would like to know the following:

1) Of the existing backlog, which specific projects are ready to go into construction with the present plans and engineering, or with only minor modifications?

2) Which specific projects in the backlog require no more than 18 additional months of engineering or planning prior to construction, if funds were available? Similarly, which specific projects could be ready to go into construction in three years, if funds were available?

3) Which specific projects in the backlog require at least three more years of planning and engineering? Which of these projects have had no significant planning work for the past several years and might, logically, require a thorough reevaluation? What are some of the specific impediments that exist to moving this category of projects forward in a more rapid fashion?

4) How many projects in the authorized backlog, if any, were authorized prior to 1925, prior to 1940, prior to 1950, and prior to 1960?

Your assistance is most appreciated. Please be prepared to file this information with our Committee during the budget hearings we will conduct next month, or as soon thereafter as possible.

Sincerely,

Robert T. Stafford
Chairman

RTS/hhb

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON, D.C. 20310

FEB 16 1983

Honorable Robert T. Stafford
Chairman
Committee on Environment and Public Works
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

Thank you for your letter of February 1, 1983, regarding authorized Corps of Engineers water resources projects. My response to your questions, in the order in which they were asked, is presented below. The tables referred to are enclosed. Projects are grouped and shown on the tables according to the length of additional time required for preconstruction planning and engineering. In accordance with your instructions, we have assumed full availability of funds and have provided remarks as necessary.

Response to Question 1

Table I lists a total of 44 projects for which design is now or will be completed by the end of FY 1983. Of these, eight projects were proposed for initiation of construction in FY 1983 by the President in his May 25, 1982, budget amendment. We have letters from local sponsors which indicate their willingness to proceed on the basis of innovative financing. Execution of formal agreements is now required to enable construction to proceed. However, Congress has not acted upon the President's request to initiate construction of these eight new construction starts. The eight projects are listed in table IA.

Table IB shows five new construction starts proposed for initiation in the FY 1984 budget. Local sponsors have provided letters indicating their willingness to proceed with these projects under innovative financing. These recommended new construction starts are now before Congress.

Table IC shows five projects which are being kept engineeringly active and are potential new construction starts. Initiation of construction of these five projects depends upon willingness of local sponsor to enter into innovative financing agreements and, in the case of deep draft navigation projects, enactment of cost recovery legislation.

Table ID lists 26 projects which have been reviewed as potential new construction starts but which have not been proposed to Congress for various reasons including lack of local interest, questions concerning degree of Federal interest, marginal economic justification, and cost sharing.

Response to Questions 2 and 3

Table IIA lists 21 projects which require no more than 18 additional months of preconstruction planning. Table IIB lists 29 projects which require more than 18 months but less than three years of preconstruction planning. Table III lists 75 projects which require at least three more years of preconstruction planning. Many of the 125 projects shown in tables II and III were authorized many years ago, would not meet current economic tests, and are not likely to have local support. Accordingly, these projects are likely to remain part of the Corps' unscheduled backlog or be reclassified or deauthorized.

Response to Question 4

Table IV identifies, by the authorization time frames specified in your letter, all projects in the Corps' backlog including those projects listed in tables I, II, and III above.

Concluding Comment

I should mention two points which should be considered in evaluating the job-creating potential of an accelerated Civil Works construction program. The first is that a project for which design and local cooperation agreements may have been completed is not necessarily ready for immediate construction to create needed jobs. Plans and specifications and other preparatory work must be completed first. Once construction begins, the buildup of employment takes time, and the bigger the project the longer it takes to achieve peak employment levels. Second, innovative financing of new project construction, because it increases non-Federal expenditures per dollar of Federal expenditures, increases the leverage of Federal outlays on reducing unemployment. With innovative financing, more jobs are created per dollar of Federal outlay than would be the case under historic financing formulas. I trust you will consider these points in reviewing the enclosed information.

Sincerely,

Bill Gianelli
William R. Gianelli
Assistant Secretary of the Army
(Civil Works)

Enclosures

TABLE I

PRE-CONSTRUCTION PLANNING IS COMPLETE

TABLE I-A: FY 1983 NEW CONSTRUCTION STARTS

Freeport Harbor, TX (North Jetty)
Strube Lake, OR
Bonneville Fishway, OR & WA
Davenport IA
Merced, CA
Kahoma Streams, HI
Virginia Beach, VA
Randleman Lake, NC

TABLE I-B: FY 1984 NEW CONSTRUCTION STARTS

Bodega Bay, CA
Fairfield County Streams, CA
San Luis Rey, CA
Bassett Creek, MN
Ellicott Creek, NY

TABLE I-C: ENGINEERINGLY ACTIVE PROJECTS

Kake Harbor, AK
Jonesport Harbor, ME
Baltimore Harbor, MD & VA
Ponce Harbor, PR
Freeport Harbor, TX (Deepening)

TABLE I-D: PROJECTS REVIEWED BUT NOT PROPOSED FOR CONSTRUCTION

Kehoe Lake, KY
Martin, KY
Falls of the Ohio National Wildlife Conservation Area, IN & KY
Arkansas-Red Basins Chloride Control, OK, TX & KS
Big and Little Sallisaw Creek, OK
Shidler Lake, OK 1/
Big Pine Lake, TX
Lake Brownwood Modification, TX 2/
Navarro Mills Lake, TX (Road Relocation) 3/
Mouth of Colorado River, TX
Liberty State Park, Levee and Seawall, NJ
Ardsley, NY (Sec. 201)

TABLE I-D (Cont'd)

Richmond Filtration Plant, VA
Little Dell Lake, UT
Fort Fisher and Vicinity , NC (Sec 201)
Snettisham, AK
Elk Creek Lake, OR
Greenville Harbor, MS
Twin Valley Lake, Wild Rice River, MN
Savanna Small Boat Harbor, IL
Cedar River Harbor, MI
Beaver Bay Harbor, MN
Knife River Harbor, MN
Lutsen Harbor, MN
Port Ontario Harbor, NY
Dansville, NY

1/ Additional legislation would be required for acquisition of mineral rights owned by Osage Indians.

2/ Local interests are building project. Recommended for deauthorization.

3/ Local interests want to add bridges to the project which will increase the cost estimate. Recommended for reclassification.

TABLE II-A

NO MORE THAN 18 MONTHS OF ADDITIONAL PRE-CONSTRUCTION PLANNING IS REQUIRED

Frankfort, KY (South Frankfort)
Santa Fe River and Arroyo Mascaras, NM
Clear Creek, TX
Neches River and Tribs Saltwater Barrier, TX
Pine Mountain Lake, AR
Eldred and Spankey D&LD, IL
Nutwood D&LD, IL
West Agurs Levee, LA
Hartwell D&LD, IL
Springfield Water Intake, SD
Missouri River National Recreational River, NE & SD
Tamaqua, PA
Delaware River in Vicinity of Camden, NJ
Kawaihae Small Boat Harbor, HI
Kikiaola Small Boat Harbor, HI
Maalaea Small Boat Harbor, HI
Pajaro River (Carnadero Creek), CA
Montgomery to Gadsden, AL
Moline, IL (Sec. 201)
Rochester, MN
Red Run Drain, Lower Clinton River, MI

TABLE II-B

AT LEAST 18 MONTHS BUT LESS THAN 3 YEARS OF ADDITIONAL PRE-CONSTRUCTION PLANNING IS REQUIRED

Town Bluff Hydropower, TX
Great Bend, KS
White River Fish Hatchery, AR 1/
Hillview D&LD, IL
Meredosia, Willow Creek and Coon Run D&LD, IL
Meredosia Lake and Willow Creek D&LD, IL
Union Lake, MO
Meramec River Basin, MO
Melvern and Pomona Lakes Road Improvement, KS 2/
Tuttle Creek Lake and Bridge, KS 3/
Francis E. Walter Dam, PA (Modification)
Delaware River, Philadelphia to Trenton, NY (Sec. 201)
Moriches Inlet, NY
Hay Creek, Birdsboro, PA (Sec. 201)
North Nashua River Flood Control Project, MA
Bristol Harbor, RI
Lincoln School Lake, ME

TABLE II-B (Cont'd)

Kaunakakai Harbor, HI
Cottonwood Creek, CA
Noyo River and Harbor (Channel Extension), CA
Tampa Harbor Branch Channels, FL
Manatee County, FL (Sec. 201)
Mississippi Delta Region, LA
Bushley Bayou, LA
East Rapides - South Central Avoyelles Parish, LA
Guidewall Extension, Lock No. 3, MN
Chaska, MN
State Road and Ebner Coulees, WI
Green Bay Harbor, WI

1/ Lack of local support. Recommended for reclassification.

2/ Local interests are required to pay a minimum of 30 percent of the project cost. The amount may be greater since the Federal Government's cost is limited to 70 percent or $500,000, whichever is less. There is no local interest at this time.

3/ Initiation of construction depends on local cost sharing agreements. Local interests are required to pay all project costs in excess of $630,000. There is no local interest at this time.

TABLE III

AT LEAST THREE YEARS OF ADDITIONAL PRE-CONSTRUCTION PLANNING IS REQUIRED

Downeyville Lake, IN 1/
Louisville Lake, IL 1/
Russell and Allison Levee, Lawrence, IL 1/
Oceana, WV (Sec. 201) 1/
Millican Lake, TX
Trinity River Project (Channel to Liberty), TX
Alamogordo Diversion Channel, NM
Rio Grande Floodway, Truth or Consequences, NM 2/
Red River Waterway, Index, AR to Denison Dam, TX & OK
Elm Fork Floodway, TX 3/
Douglass Lake, KS
Sand Lake, OK 4/
Navasota Lake, TX 5/
Pecan Bayou Lake, TX
Roanoke Lake, TX 6/
Rockland Lake and Dam "A" Lake, Neches River, TX
McKinney Bayou, AR & TX
Yazoo River, MS
Shreveport to Daingerfield, LA
Red River Waterway, Shreveport, LA to Index, TX
Pine Ford Lake, MO
Big Swan D&LD, IL
Fort Chartres and Ivy Drainage District, IL
Scott County D&LD, IL
Angler Use Sites, MO
Irondale Lake, MO
I-38 Lake, MO
Mississippi River Agricultural Area 12, MO
Lower Grand River, MO 7/
Townsend Inlet and Seven Mile Beach, NJ (Sec. 201)
Shinnecock Inlet, NY
Great Egg Harbor Inlet and Peck Beach, NJ (Sec. 201)
South Ellenville, NY
Pottstown, PA (Sec. 201)
Prompton Lake, PA
Sawmill River, Elmsford - Greenburg, NY (Sec. 201)
Ipswich River, MA
Pleasant Bay, MA
Westerly, RI
Revere Beach, MA (Sec. 201)
Nookagee Lake, MA
Whitmanville Lake, MA 8/
Nawiliwilli Harbor, HI 9/
Goleta and Vicinity, CA 10/

TABLE III (Cont'd)

Noyo River and Harbor (Breakwater), CA 11/
Gila and Salt Rivers, Gillespie to McDowell, AZ 11/
Humboldt River and Tribs, NV 11/
Morehead City Harbor, NC 12/
Lee County, FL (Sec. 201) 13/
Lido Key, FL 13/
GIWW, St. Marks to Tampa Bay, FL 14/
Layer Creek Lake, GA 13/
Broadway Lake, SC 13/
Lower Auchumpkee Creek Lake, GA 13/
Chetco River, OR 8/
Cottonwood Creek Dam, ID 13/
L'Anguille River, AR 15/
Mississippi River East Bank 16/
Big Creek, Lower White River, AR 13/
Cross Village Harbor, MI 17/
Harriet Island, MN 17/
Geneva-On-The-Lake, OH (Sec. 201) 17/
Black River Harbor, MI (Sec. 201) 13/
Forestville Harbor, MI 13/
Holland Harbor Entrance Channel, MI
Middle Channel, St. Clair River, MI 17/
Fairport Harbor, OH (Sec. 201)
Farmers D&LD, IL 18/
Port Bay, NY 17/
Ottawa, OH 17/
Rock River Agricultural Levees, IL
East Grand Forks, MN
Hannibal, MO
Sheyenne River, ND
Reno Beach - Howard Farms Area, OH

1/ Initiation of construction would probably be delayed due to lack of local cooperation.

2/ Negative report. Recommended for reclassification.

3/ Local interests have built portions of floodway. No interest in remaining work. Recommended for reclassification.

4/ Additional legislation required for acquisition of mineral rights owned by Osage Indians.

5/ Pending decision on location of Millican Lake will determine whether project would continue. Recommended for reclassification.

6/ There are still future needs for water supply (locals). Recommended for reclassification.

7/ Reevaluation was performed in 1975. Project is not economically justifiable at currrent rate.

8/ Requires extensive reevaluation.

9/ Project is being reformulated.

10/ Completion of pre-construction planning depends on model testing currently scheduled in FY 1985.

11/ Recommended for reclassification.

12/ Pending determination of need for jetties at Beaufort Inlet.

13/ Lack of recent expression of local interest.

14/ Deferred pending action on Cross Florida Barge Canal project deauthorization proposal.

15/ Requires reevaluation.

16/ Awaiting authorization of Vicksburg Harbor project (interrelated).

17/ Insufficient high priority benefits.

18/ Not economically justifiable at current rate.

TABLE IV

ARMY CIVIL WORKS PROGRAM
PROJECT BACKLOG AS OF 30 SEPTEMBER 1982

	AUTHORIZATION TIME FRAME					
Budget Status	Before 1925	1925-1939	1940-1949	1950-1959	1960 and Later	Total
Budgeted in FY 1984						
Not Funded for Construction	0	1	5	1	22	29
Funded for Construction	7	23	12	18	100	160
Total	7	24	17	19	122	189
Not Budget in FY 1984						
Not Funded for Construction	0	7	9	8	102	126
Funded for Construction	2	11	6	15	60	94
Total	2	18	15	23	162	220
GRAND TOTAL	9	42	32	42	284	409

Responses to Questions From Senator Stafford

RESEARCH AND DEVELOPMENT—ADEQUACY OF FUNDING

Senator **Stafford**. How much research and development money is in the Corps of Engineers budget for 1984? Would an accelerated R&D into various innovative techniques and materials for flood control, environmental protection, dam construction, etc., provide significant payback? If so, how much money over that requested could the Corps of Engineers effectively utilize in fiscal year 1984?

Mr. **Gianelli**. The total Corps of Engineers Civil Works R&D budget request for fiscal year 1984 is $29,365,000. An accelerated R&D effort would indeed provide a significant payback. The Civil Works R&D program is a highly mission-oriented program that has structured into it transfer to field operating elements of the new technology gained through R&D. There are opportunities for rapid payback in each program area: navigation, flood control, environment, etc. The fiscal year 1984 incremental capability amount that could be effectively utilized for the Civil Works R&D program is $7,500,000; and the total fiscal year 1984 capability amount for this program is $36,865,000. This capability is subject to qualification that although such program capabilities reflect the readiness of the work for accomplishment, they are in competition for available funds and manpower Army-wide. In this context, the fiscal year 1984 capability amount indicated for Civil Works R&D considers this program by itself without reference to the rest of the Army's Civil Works program. However, it is emphasized that the total amount proposed for the Army's Civil Works program is the President's budget for fiscal year 1984 is the appropriate amount consistent with the Administration's assessment of national priorities for Federal investments and the objectives of avoiding large budget deficits and the serious adverse effects that Government borrowing is having on the national economy. Therefore, while we could utilize additional funds on individual projects, studies, and programs, offsetting reduction would be required in order to maintain our overall budgetary objectives.

R&D BY PRIVATE CONTRACTORS

Senator **Stafford**. How much Corps R&D work is performed by private contractors?

Mr. **Gianelli**. In fiscal year 1983, we estimated that, of a total Civil Works R&D allocation of $30,420,000, approximately $1,671,000 or about 5½ percent will be performed by private contractors. Additionally, approximately $1,428,000 or about 5 percent will be performed by universities and other academic institutions.

DELAYS CAUSED BY LEGAL ACTION

Chairman **Stafford**. How may of the Corps projects presently under construction are the subject of lawsuits or other legal action? Are significant delays being encountered due to these suits? Is the Corps making efforts to increase out of Court negotiatins and settlements? Please explain.

Mr. **Gianelli**. As of 29 March 1983, 15 Corps projects are in litigation.

a. *Barber's Point, Hawaii.*—On 9 February 1983, the Judge dissolved, effective seven days from his order, the Temporary Restraining Order which had prohibited blasting at the project site. The Plaintiffs filed an emergency appeal, which the Ninth Circuit denied. The District Court is expected to rule on the Plaintiffs' motion for a preliminary injunction which would stop construction of the project (or in the alternative, on the merits if the parties file summary judgment motions) soon. (*Eric Enos* v. *Marsh*, D. Hawaii)

b. *Birds Points—New Madrid Floodway, Missouri.*—This suit was filed on 11 March 1983, by landowners within the floodway. They allege that the Corps is planning to artificially crevasse by high explosives the front line levee protecting the area when the Mississippi River reaches a flood stage of 58′ on the Cairo gauge and is predicted to reach 60′. They allege, inter alia, that the programmatic EIS prepared for the Mississippi River and Tributaries is legally inadequate. No hearings have been scheduled to date. (*George Story, et al.* v. *Marsh*, E. D. Missouri)

c. *Cooper Lake, Texas.*—On 30 December 1982, the District Court issued a decision that the Supplemental Environmental Impact Statement is legally inadequate. The Court continued the injunction, preventing work on the project, which has been in effect since 1978. The Government plans to appeal the decision. (*Texas Committee on Natural Resources* v. *Alexander*, E.D. Texas)

d. *Cross Florida Barge Canal.*—In 1981, the Court dismissed the lawsuit but continued in effect an injunction prohibiting the Corps from doing any work in the canal right of way without its approval. (*Environmental Defense Fund* v. *Corps of Engineers*, M.D. Fla.)

e. *Harvey Canal-Bayou Barataria Levee.*—Landowners challenged the validity of the Corp's decision to modify this flood control project by deleting land reclamation features, including a pumping station. In 1980, the District Court held the modification was valid. The plaintiffs appealed. On 17 March 1982, the Fifth Circuit held that, while the decision was based on cogent policy reasons and was not arbitrary, it was issued without first obtaining local assurances for the modification. The case was remanded to the District Court, which in turn remanded the matter to the Corps with instructions to supplement the record. The New Orleans District is preparing a supplement. (*Creppel* v. *U.S. Army Corps of Engineers*, Civil No. 77-25)

f. *Lake Pontchartrain Hurricane Protection, Louisiana.*—In 1977, the Court enjoined work on the Chalmette and New Orleans East portions of the hurricane protection plan and on the proposed barrier structures at Chef Menteur Pass and the Rigolets; the Court ruled that the EIS was inadequate. In 1978, at the Government's request, the Court modified its order, ruling that certain portions of the project which had minor environmental impacts, which afforded flood protection and which were separate and independent from the barrier structures were excluded from the injunction. The Corps is preparing a revised environmental Impact Statement. (*Save Our Wetlands, Inc.* v. *Rush*, E.D. La.)

g. *Libby Additional Units and Reregulating Dam.*—In 1978, the Court enjoined construction on the project, finding that Congress had not authorized it and that the Corps had not considered alternatives adequately. The Government appealed, and the Ninth Circuit enjoined construction of the reregulating dam and allowed placement of additional units. The Court found that the reregulating dam was not authorized, but it did not rule on the adequacy of the Environmental Impact Statement. The injunction remains in effect. (*Libby Rod and Gun Club* v. *Poteat*, D. Wash.)

h. *Luxapalia Creek, Alabama and Mississippi.*—Construction on this project has been enjoined since 1976. The Corps is currently engaged in studies leading toward a new Environmental Impact Statement. In 1981, the State of Alabama and the United States filed a joint motion for dissolution of the injunction and dismissal of the suit. The Alabama Conservancy, Inc. and Birmingham Audubon Society opposed the motion and moved to intervene. In 1982, the Court refused to dismiss the case and permitted the environmental groups to intervene. The State has appealed that decision. (*State of Alabama* v. *U.S. Army Corps of Engineers*, N.D. Ala.)

i. *Papillion Creek and Tributaries, Nebraska.*—The original project called for the construction of 21 dams in the Papillion Creek Basin. In 1975, the Court enjoined construction at site ten, concluding that because the rest of the project was being reevaluated and was likely to be modified, continuation of work at site ten was not within the Congressional mandate. That injunction remains in effect. Congress appropriated funds for sites 18 and 20 in fiscal year 1981, and in 1982 the Plaintiffs moved to enjoin work on site 18. The Court denied the motion in September 1982. (*Papillion Valley Preservation Association* v. *Corps of Engineers*, D. Neb.)

j. *Santa Paula Creek Flood Control, California.*—This project was enjoined in 1976, because the Court found the Environmental Impact Statement inadequate. A new Environmental Impact Statement has been prepared and is under review. (*Friends of Santa Paula Creek* v. *Callaway*, C.D. Cal.)

k. *Stonewall Jackson Lake Project, West Virginia.*—The lawsuit is in the discovery phase. The Court denied the Plaintiff's motion for a preliminary injunction, which would have stopped work on the project, in 1980. Construction is continuing. No trail date has been set. (*National Wildlife Federation* v. *Alexander*, N.D. W. Va.)

1. *Tampa Harbor, Florida.*—On 22 December 1982, the Court ruled that the Corps was illegally disposing dredged material into the Ocean, EPA's designation of the disposal site was improper, and the Corps' studies were inadequate. Continued dumping at the site was enjoined. The Government did not appeal the decision. The Corps is waiting for EPA to designate another site and is also considering other alternatives. (*Manatee County* v. *Gorsuch*, M.D. Fla.)

m. *Tennessee-Tombigbee Waterway.*—The lawsuit is in the discovery phase. A trail on the adequacy of the Supplemental Environmental Impact Statement is scheduled to begin on 9 May 1983. The parties are simultaneously preparing for the trial and pursuing settlement negotiations. The project is not enjoined, and work is proceeding. (*Environmental Defense Fund and Louisville and Nashville Railroad Co.* v. *Alexander*, N.D. Miss.)

n. *Wallisville Lake; Trinity River.*—The projects have been enjoined since 1973. Review of a post authorization change report and accompanying Environmental Impact Statement for Wallisville and a General Design Memorandum and accompanying Environmental Impact Statement for Trinity River is pending. (*Sierra Club* v. *Froehlke*, S.D. Tex.)

o. *West Tennessee Tributaries.*—The Court enjoined work on this project in 1973 on the ground that the Environmental Impact Statement prepared for it was legally inadequate. In 1978, the Court also found the Supplemental Environmental Impact Statement inadequate and continued the injunction. The injunction remains in effect. On 9 February 1983, the Corps filed a second Supplemental Environmental Impact Statement with EPA. The parties are pursuing settlement negotiations, and no further hearings are scheduled at this time. (*Akers* v. *United States*, W.D. Tenn.)

The litigation involving Richard B. Russell Dam, Stockton Dam, and Harry S. Truman Dam has been concluded.

Delays have been encountered in several of these lawsuits, as indicated above. For example, work on the West Tennessee Tributaries project has been enjoined since 1973.

The Corps is always willing to make every effort to engage in out-of-court negotiations and to enter into reasonable settlement agreements whenever possible. The Corps is currently pursuing settlement negotiations with the Plaintiffs in the West Tennessee Tributaries case and has recently discussed settlement with the opposing parties in the Tenn-Tom litigation. With regard to the Tenn-Tom suit, it should also be noted that in 1981, after the Fifth Circuit ruled that the project should be enjoined, the Corps successfully negotiated an agreement with the Plaintiffs which allowed work on the critical path to continue.

INLAND WATERWAYS TRUST FUND

Senator STAFFORD. How much money is currently deposited in the Inland Waterways Trust fund?

Mr. GIANELLI. As of the beginning of fiscal year 1983, it was estimated that $55.5 million was available in the Trust Fund.

INCREASED NON-FEDERAL COST SHARING

Senator STAFFORD. Am I correct in interpreting your testimony as saying that the only way we are going to be able to revive the Corps program is to change cost sharing in order to inject more non-Federal money into water resources development?

Mr. GIANELLI. That is correct, Mr. Chairman. In my view, there are two possible scenarios. First, we can continue as we have for the last few years with very limited new authorizations or new construction starts. The political process will probably continue to allow some projects to proceed on the basis of political expediency and not necessarily on the bases of need. This, in my judgment, will not meet the Nation's water needs and will result in few projects being built. The other scenario requires us to chart a new course—one which takes the limited Federal dollars and stretches them over a large number of projects by capitalizing on the financial capabilities of the project beneficiaries and, at the same time, weeds out the less feasible projects. We in the Army Civil Works have chosen the latter alternative, and I believe we have demonstrated this approach will work.

ADDITIONAL NEW STARTS AND JOBS BILL

Senator STAFFORD. As a result of the "jobs" initiative, does the President expect you to negotiate additional new starts in fiscal year 1984? Will that do very much for jobs in the short term?

Mr. GIANELLI. We are trying to put together as many sound water resource projects as we can, regardless of the Jobs Bill. We already have negotiated five new construction starts for 1984, and they are included in the President's budget. This is in addition to the new starts we negotiated in 1983, which are ready to go to construction and to create jobs. Unfortunately, as you know, the Appropriations Committees have not taken action on the President's proposed new starts. A favorable signal from these committees, while it wouldn't solve the Nation's unemployment problems, would enable the Army Corps of Engineers to address real water problems and put people back to work. The new starts we proposed in 1983 and 1984 have an aggregate capital cost of over a billion dollars. That would provide a significant number of jobs for construction workers.

AQUATIC PLANT CONTROL

Senator STAFFORD. Please describe what the Corps intends to do, and how much it intends to spend, during fiscal year 1983 and during fiscal year 1984 to control weeds in Lake Champlain.

Mr. **Gianelli**. In fiscal year 1983 and during fiscal year 1984, the Corps will participate, with the State of Vermont in the removal of three nuisance plants from Lake Champlain. These plants, water chesnut, yellow floating heart, and eurasian milfoil, will be mechanically harvested since this method of control is viewed as the least threatening to public health and the environment and is favored by public sentiment. The Corps has allocated $105,000 in fiscal year 1983 and has budgeted $100,000 for fiscal year 1984 to accomplish this work.

Responses to Questions From Senator Abdnor

NEED FOR LEGISLATIVE AUTHORITY

Senator **Abdnor**. Will the Administration propose enactment of policy authority to accompany proposed new project starts?

Mr. **Gianelli**. At this time I only see the need to establish new legislative policy for inland navigation and deep-draft navigation projects. Legislation is needed to enable the government to recover the costs of inland navigation projects over their economic lives. In the case of deep-draft navigation projects legislation is necessary not only to establish the terms on which non-Federal participation in project financing and cost sharing will take place but also to give non-Federal sponsors the authority to recoup their cost through charges on project users.

CHANGES IN CONTINUING AUTHORITIES PROGRAM

Senator **Abdnor**. I understand you have made changes in small projects programs to accelerate projects with local cost-sharing. For the record, could you explain those changes? Would it make sense to increase the limitations on the size of projects the Corps can undertake under these authorities, or perhaps to enact a separate, new authority to enable construction of larger projects in a similar fashion?

Mr. **Gianelli**. Yes sir, the major changes we've made include: the introduction of an expanded reconnaissance study at 100 percent Federal cost; introduction of cost sharing of the detailed project report during the preconstruction planning stage; and cost sharing and financing of construction on a basis comparable to that being discussed for similar Congressionally authorized project construction and immediate allocation of construction funds upon authorization of projects. Now in response to your second question—until we gain some experience with these restructured programs, I think it is premature to offer any suggestions regarding changes to the limits on the allowable maximum Federal share of project cost whether modifying the existing authorities or by new authorities.

MONETARY CEILINGS FOR RIVER BASINS

Senator **Abdnor**. In the last Congress, the Administration proposed legislation to lift the authorization ceilings on the river basin programs. (S. 1082). Could you provide, for the record, a listing of the river basin programs, their authorization ceilings, their actual spending levels, and the projected cost to complete each river basin program?

Mr. **Gianelli**. Yes sir, we will provide the listing for the record.

[The information follows:]

COMPREHENSIVE RIVER BASIN PLANS
FOR FLOOD CONTROL, NAVIGATION, AND FOR OTHER PURPOSES
(In Thousands of Dollars)

Basin	Estimated Federal Cost	Total Requirement Thru FY 1983	Monetary Authorization	Authorization Required For Completion
Alabama-Coosa River Basin	1,607,413	310,777	286,000	- 1,321,413
Arkansas River Basin	1,540,248	1,458,633	1,422,667	- 117,581
Arkansas-Red River Basin	874,800	69,931	46,400	- 828,400
Baltimore Harbor	334,000	2,750	40,000	- 294,000
Blue River Basin	311,600	13,244	40,000	- 271,600
Brazos River Basin	962,700	266,048	200,500	- 762,200
Central and Southern Florida	1,460,000	271,256	244,300	- 1,215,700
Columbia River Basin (Columbia River Local Protection)*	2,800,037 (48,720)	2,127,309 (19,244)	2,013,300 (15,000)	- 786,737 - (33,720)
Connecticut River Basin	83,188	83,188	96,957	+ 13,769
Cottonwood Creek	750,000	11,875	40,000	- 710,000
Gulf Intracoastal Waterway, Saint Marks, Tampa	339,000	0	40,000	- 299,000
Illinois Waterway Duplicate Locks	2,265	2,265	40,000	+ 37,735
Mississippi River and Tributaries	13,847,842	3,482,025	2,559,922	- 11,287,920
Missouri River Basin	2,843,172	2,122,519	1,926,094	- 917,078

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* Specific monetary authorization within an overall monetary authorization.

COMPREHENSIVE RIVER BASIN PLANS FOR FLOOD CONTROL, NAVIGATION, AND FOR OTHER PURPOSES

(In Thousands of Dollars) (cont'd.)

Basin	Estimated Federal Cost	Total Requirement Thru FY 1983	Monetary Authorization	Authorization Required For Completion
North Branch Susquehanna River Basin	301,810	294,670	237,000	- 64,810
Ohio River Basin	1,589,558	1,461,163	1,379,833	- 209,725
Ouachita River Basin	119,585	75,759	73,300	- 46,285
Red Run Drain and Lower Clinton River	125,000	3,863	40,000	- 85,000
Red River Waterway	2,199,317	499,007	119,000	- 2,080,317
Sabine River Basin	303,907	2,935	40,000	- 263,907
Sacramento River Basin	138,555	73,385	72,740	- 65,815
San Joaquin River Basin	407,835	357,524	305,500	- 102,335
Santa Ana River Basin	60,545	47,201	47,500	- 13,045
South Platte River Basin	183,253	150,222	138,300	- 44,953
Tampa Harbor	222,000	147,470	40,000	- 182,000
Trinity River Basin	1,773,596	213,979	83,000	- 1,690,596
Upper Mississippi River Basin	174,185	151,831	137,500	- 36,685
Wabash River Basin	269,522	4,677	50,000	- 219,522
White River Basin	460,326	336,224	305,000	- 155,926
TOTALS 29 Basins	36,085,959	14,041,730	12,064,813	- 24,021,046

WORK SUBJECT TO MONETARY CEILING

Senator ABDNOR. Are both construction and O&M covered by the ceilings, or is O&M treated separately?

Mr. GIANELLI. Only the construction costs of the projects within the basins are subject to the monetary authorization ceilings.

FISCAL YEAR 1984 BUDGET BREAKDOWN

Senator ABDNOR. Please furnish for the record the following figures for the fiscal year 1984 budget request: (a) the total civil works budget; (b) the division of the total civil works budget between O&M and new construction; (c) the breakdown of the budget by major project functions, and between O&M and new construction within each function; and (d) the breakdown among the river basins.

Mr. GIANELLI. The figures are as follows:

TOTAL BUDGET REQUEST

The net fiscal year 1984 budget request for the Civil Works Programs totals $2.102 billion. This net request takes into account offsetting receipts estimated at $492 million, of which $454 million would be realized under revised navigation and recreation user fee legislation to be submitted by the Administration. The request for appropriations thus amounts to $2.594 billion which together with the $40 million deferral from fiscal year 1984 would result in a total funding level of $2.634 billion.

OPERATION AND MAINTENANCE AND CONSTRUCTION

Funding for the Corps O&M program totals $1.2566 billion or 47.0 percent of the total funds required for the Civil Works Program in Fiscal Year 1984. That includes a request for Operation and Maintenance, General funds of $1.163 billion and some $95.3 million for the operation and maintenance of the Mississippi River and Tributarties (MR&T) project. The budget also would provide some $1.1374 billion for construction or 43.2 percent of the total program funds, of which some $945.7 million including the $40 million deferral from fiscal year 1983 would be allotted for work funded under the Construction, General appropriation account and $191.7 million for work to be accomplished under the MR&T account.

FUNCTIONAL BREAKDOWN OF BUDGET

The following table provides a breakdown by major project function or output, of the overall budget and between Operation and Maintenance and Construction.

Breakdown of Budget Allocation, Fiscal Year 1984

[In thousands of dollars]

Function	Construction [1]	Operation and maintenance [1]	Total Fiscal Year 1984 budget request [1]
Flood control	653,231	208,658	[2] 915,034
Multiple purpose power	156,730	213,423	[2] 374,918
Navigation	349,170	765,031	[2] 1,128,559
Beach erosion	20,565		20,565
Streambank and shoreline protection	4,000		[2] 8,282
Other activities [3]	22,400	69,533	[2] 130,093
Other appropriations [4]			[4] 126,700
Gross subtotal	1,206,096	1,256,645	2,704,151
Anticipated S/S.[5]	−68,651		[2] −70,051
Net subtotal	1,137,445	1,256,645	2,634,100

[1] Includes applicable shares from the Flood Control, Mississippi River and tributaries (MR&T) appropriation account and $40 million of deferred CG funds from Fiscal Year 1983.

[2] Includes applicable share from the Construction General, MR&T, and the General Investigations appropriation accounts.

[3] Programs and activities not project specific e.g., General Regulatory Functions, Research and Development.

[4] Include requests for General Expenses, Flood Control and Coastal Emergencies, Special Recreation Use Fees and Permanent Appropriation accounts.

[5] Anticipated Savings and Slippage.

BREAKDOWN BY RIVER BASINS

The Corps of Engineers does not maintain budget data by river basins per se. However, data is available by Corps Division offices, the boundaries of which generally encompass major hydrologic areas such as river basins. The attached table presents Fiscal Year 1984 budget information displayed in two parts: (1) funding specific to individual studies, projects, and activities that are located within the Division's geographic areas and (2) unallocated funds (i.e., funds that are programmatic in nature and thus managed on a nationwide basis).

[The information follows:]

ARMY CIVIL WORKS PROGRAM

DISTRIBUTION OF FY 1984 BUDGET AUTHORITY BY GEOGRAPHIC AREAS

GEOGRAPHIC AREA	APPROPRIATION ACCOUNT (In thousands of dollars)					Total Budget Request
	Construction, General	Operations and Maint., General	General Investigations	Mississippi River & Tributaries	Others	
New England Division	850	0	1,282	0	0	2,132
North Atlantic Division	15,716	137,297	10,958	0	0	163,971
South Atlantic Division	249,286	151,197	7,466	0	0	407,949
Ohio River Division	91,459	131,681	6,280	0	0	229,420
North Central Division	56,190	139,333	8,607	0	0	204,130
Lower Mississippi Valley Division	198,435	124,389	6,501	304,205	0	633,530
Southwestern Division	130,419	154,173	7,690	0	0	292,282
Missouri River Division	31,700	59790	3,815	0	0	95,305
South Pacific Division	70,817	52,334	14,395	0	0	137,546
North Pacific Division	83,914	131,279	6,193	0	0	221,386
Pacific Ocean Division	23,660	0	713	0	0	24,373
TOTAL DISTRIBUTED TO AREAS ABOVE	952,446	1,081,473	73,900	304,205	0	2,412,024
UNALLOCATED FUNDS *	+ 47,700	+ 79,827	+ 37,900	0	+ 126,700	+ 292,127
SUBTOTAL FY1984 PROGRAM FUNDS	1,000,146	1,161,300	111,800	304,205	126,700	2,704,151
SAVINGS AND SLIPPAGE	- 54,446	0	- 1,400	- 14,205	0	- 70,051
TOTAL FUNDS BUDGETED FOR USE	945,700	1,161,300	110,400	290,000	126,700	2,634,100
FUNDS AVAIL. FROM FY1983 DEFERRAL	-40,000	0	0	0	0	-40,000
TOTAL APPROPRIATION REQUEST	905,700	1,161,300	110,400	290,000	126,700	2,594,100

* Includes funding for such nation-wide programs as Collection & Study Of Basic Data, Small Continuing Authorities Program, Mobilization Planning, etc.

PORT COMMERCE AND MAINTENANCE COST

Senator ABDNOR. What is the total value of all products shipped through U.S. ports, and what is the cost of maintaining all ports at their current depths as a percentage of the value of products shipped through them?

Mr. GIANELLI. In 1980, the total value of all merchandise in foreign trade, imports, and exports, (excluding military) was about $465.5 billion. This was for 921,404,000 tons of commerce in foreign trade (including Canada and Mexico). In 1980 our coastal & Great Lakes ports handled 448,321,000 tons of domestic commerce, however, the United States does not collect statistics on the value of domestic seagoing commerce. I cannot, therefore, provide a total value figure for all products which move through the ports. The estimated annual cost for maintenance of the 282 deep-draft ports maintained by the Corps of Engineers, based on average costs over recent years but expressed in 1982 dollars, is about $340,000,000.

AD VALOREM TAX FOR COST RECOVERY

Senator ABDNOR. Would the Administration object to a uniform, system-wide advalorem tax to recover O&M expenses? If O&M expenses are offset in that fashion, do you think the Administration could support some level of Federal cost-sharing for new port construction?

Mr. GIANELLI. The Administration is preparing to submit to Congress proposed legislation on deep-draft navigation and inland navigation cost recovery. Both proposals will include substantial levels of non-Federal responsibility for project funding, but at levels somewhat less than proposed in draft legislation introduced by the Administration in the 97th Congress. Under these proposals, those project O&M costs which would not be a Federal responsibility would be recovered by uniform, system-wide fees collected from navigation interests under programs administered by the Secretary of the Army. In the case of deep-draft, the fees would be assessed on a per-ton basis; in the case of inland navigation, they would be assessed on a ton-mile basis. We think that by this means cost recovery can be more easily achieved than by an ad valorem approach. Under these proposals, non-Federal project costs for new construction would be paid by the appropriate non-Federal entity on a port-specific (or segment-specific) basis. Ports would be authorized to recover their costs by charges to the project beneficiaries.

EMPLOYMENT-RELATED INFORMATION

Senator ABDNOR. Mr. Gianelli, yesterday at an Appropriations Committee hearing, Senator Hatfield asked that you provide him with specific data about possible new Corps projects. He also asked you to estimate the employment impacts and multiplier effects related to new project construction. Can you please provide this Committee with a copy of your responses to these questions? When do you expect this information to be available?

Mr. GIANELLI. The data on possible new Corps projects furnished Senator Hatfield was only an extract from Table I which was included as an enclosure to my February 16, 1983 letter to Chairman Stafford. The list included only those 18 projects which were ready and viewed as valid new construction starts. Based on our Rule of Thumb of 40 jobs per million dollars for construction work, a total of some 46,300 job years would be generated during the construction period for the 18 projects. A copy of Senator Hatfield's questions and our responses on the job-related aspects of our Civil Works program will be provided for the record.

[The information follows:]

EFFICIENCY IN PROVIDING JOBS

Chairman HATFIELD. What activities are the most efficient in providing jobs?

General BRATTON. In our Construction General program, the more labor intensive projects are: locks, dams, major rehabilitation, urban flood control, recreation facilities at completed projects, aquatic plant control and small projects not requiring specific legislation. In our O&M program it would be the maintenance activities such as repair of facilities, painting, and the like.

EMPLOYMENT GENERATED BY CORPS BUDGET REQUEST

Chairman HATFIELD. What is the total direct employment supported by the Corps' $2.1 billion 1984 budget request? What is the secondary employment supported by the 1984 request?

General **Bratton**. The employment supported by the Corps budget is estimated using the budget request before offsetting receipts of $2.6 billion rather than the net $2.1 billion figure. Based on the "Rule of Thumb" averages applicable to large numbers of jobs, the budget request would support direct employment of approximately 107,000 jobs. We also estimate an equal number of secondary jobs. I will furnish, for the record a breakdown of that figure.

[The information follows:]

	Fiscal year 1984 budget request	Jobs (million)	Jobs [1]
General investigations	$110,400,000	35	3,900
Construction general	[2] 945,700,000	40	37,800
Operations and maintenance general	1,161,300,000	44	51,100
Flood control, MR&T	290,000,000	40	11,600
Other appropriations (corps only)	126,700,000		2,500
Total	2,634,100,000		106,900

[1] Direct employment only. We estimate the induced or secondary employment on a 1 to 1 basis which would mean another 107,000 jobs.

[2] Includes $40 million deferred from fiscal year 1983 for use in fiscal year 1984.

UNEMPLOYMENT

Chairman **Hatfield**. Briefly, what is the unemployment rate in the various construction trades and industries involved in building a typical Corps project? Please be specific by major trade or industry.

General **Bratton**. I will provide that for the record.

RATES OF UNEMPLOYMENT

The unemployment figures for various types of construction and specific trades according to the Bureau of Labor Statistics detailed Occupational Index Tabulations are as follows:

	Percent
By types of construction:	
Construction industry (total)	20.0
General building construction	22.9
General contractors (except building)	21.1
Special trade contractors	17.9
Specified	21.2
By craft:	
Asbestos leaders	22.1
Boilermakers	23.1
Bricklayers	24.9
Carpenters	22.7
Electrical workers	9.3
Operating engineers	21.2
Iron workers	22.3
Laborers	30.4
Painters	20.9
Cement finishers	30.1
Roofers	23.4
Sheet metal workers	13.0
Plumbers and fitters	12.4
Plasterers	28.7

It is difficult to define a typical Corps project; however, the General Contract figure of 21.1 percent would probably be the most representative of Corps Civil Works.

PUTTING PEOPLE TO WORK

Chairman **Hatfield**. What in your judgment would be the quickest way to put people to work relative to Corps of Engineers' activities, new construction starts, acceleration of on-going work, increased emphasis on operations and maintenance, or a combination of all three?

Mr. **Gianelli**. I believe that combination of new construction starts, acceleration of ongoing and programmed work and increased operation and maintenance funding would be the quickest way to create jobs within the context of the Corps of Engineers program. I would like to point out that new construction starts, as proposed in the President's fiscal year 1983 and fiscal year 1984 Budgets, incorporate increased participation by non-Federal interests in project funding. As a result, more jobs per dollar of Federal spending are created than would be the case under traditional financing formulas. More jobs are realized because, within increased non-Federal participation, more non-Federal dollars are expended per dollar of Federal expenditures. Because the Federal dollars are more highly "levered" under the new financing proposals we have made, more jobs are realized than would be the case under traditional approaches.

OPERATION AND MAINTENANCE BACKLOG

Chairman **Hatfield**. I note that on page 7 of your statement, General Bratton, you indicate that 30 percent of the 600 reservoirs and lock and dams operated by the Corps are more than 40 years old. What is the backlog of critical maintenance work that is waiting to be undertaken? Could you provide for the record a detailed breakout of the backlog by major activity, including a narrative description of the work to be performed, and adverse impacts that could result, and an estimate of the numbers of jobs that could be created, both direct and indirect, if funds were provided? Also, provide similar information for the Small Continuing Authorities Program.

General **Bratton**. The budget request provides sufficient funds to operate and maintain deep draft harbors and inland waterways consistent with commercial traffic requirements. Certain types of unfunded O&M repairs and other work which are of low priority have been deferred; the cumulative total over time now amounts to slightly over half a billion dollars. This is exclusive of major rehabilitation of our aging structures such as the inland waterway structures. These are longer term needs which would require an estimated two billion dollars by the end of the century. The magnitude of these funding requirements underscores the need for early action, particularly with respect to navigation cost recovery legislation. I will provide a breakdown of the unfunded O&M repairs and other work.

[The information follows:]

[Dollar amount in million]

	Total cost	Narrative description of work to be performed
Major activity:		
Dams	$49	Repair embankments, spillways and outlet works.
Locks	59	Repair various features of lock chambers and gates.
Breakwaters and Seawalls	18	Repair deteriorated breakwaters and seawalls.
Levees and floodwalls	8	Repair deteriorated levees and floodwalls.
Pumping plants	1	Repair aging, deteriorated pumps.
Bank stabilization	17	Repair deteriorated slopes.
Recreation facilities	51	Repair public use facilities mooring and launching facilities.
Powerhouse	20	Generator rewinds and electrical repair.
Dredging	221	Dredging various shallow draft and recreational harbors.
Roads and buildings	77	Repair supporting structures and access roads.

A systematic investment program to reduce this normal maintenance backlog would support about 23,000 jobs and assure that the nation's water resource infrastructure would sustain current as well as projected increased traffic and power generating capacity and protect the health and safety of the increasing numbers of visitors to Corps areas.

SMALL NOT SPECIFICALLY AUTHORIZED PROJECTS

Listed below are small project programs with projects that could be initiated (construction contract awarded) not later than September 1983 and completed in no more than two construction seasons. The list includes only those small emergency protection, flood control, and commercial navigation projects that we could initiate in the interest of generating additional employment. Appropriations to fund the construction of those projects would support about 1,200 jobs, assuming that the associated construction period would average about one and one third years.

	Number of projects	Remaining Federal cost
Program:		
Section 107	13	$6,250,000
Section 205	17	21,900,000
Section 208	7	520,000
Section 14	61	8,760,000
Total		37,430,000

It should be emphasized that from a priority standpoint we would much prefer to address the needed rehabilitation of our inland waterway structures, to proceed with the recommended Fiscal Years 1983 and 1984 new construction starts, and to accelerate the programmed construction of recreation facilities.

ADDITIONAL JOBS

Chairman HATFIELD. General Bratton, how long would it take the Corps to start bringing additional jobs on-line? How do you estimate the number of jobs created by a given amount of funding? Does it vary for construction and Operation and Maintenance? Please explain why.

General BRATTON. The amount of time to start bringing additional jobs "on-line" would be dependent upon factors such as the type of project and status of planning and engineering. A project which has been designed and has plans and specifications "on the shelf" would take one to three months to start construction after funds were made available; however, one which required significant planning and engineering could take several years. Additional employment could be generated most quickly by increasing allocations for ongoing construction or maintenance projects where contracts could be accelerated or additional contracts could be awarded within 30 to 60 days after receipt of funds. The Corps uses a "Rule of Thumb" for estimating jobs generated by Civil Works activities, which ranges from 35 to 44 jobs per million dollars. This figure is useful as an average for large numbers of projects or studies, but may not be accurate for any one individual project or study. The operation and maintenance work is somewhat more labor intensive than construction. This is because it tends to be repair rather than construction. Such contracts are smaller and require smaller, less specialized equipment and more manual labor. The term "jobs" includes both seasonal and full-time employment, thus man-years of effort would be a slightly lower figure.

HIGH COST OF WATER RESOURCES JOBS

Chairman HATFIELD. The Committee has heard much criticism regarding the high cost per job on water resource projects. For example, the House had provided $40 million for construction and maintenance related to the Mississippi River and Tributaries project—this was in the jobs title of the Continuing Resolution. It was estimated that 500 additional jobs would be created by the additional funds, which works out to $80,000 per job. Do you believe this is correct? Please explain—direct only, no secondary.

General BRATTON. The subsequent paragraphs on page 34 of House Report, 97-959, entitled "Further Continuing Appropriations, 1983", explain the additional jobs that would be created from an appropriation of $40 million to the Mississippi River and Tributaries account. It mentions, in addition to the 500 jobs you cited, an additional 1,400 seasonal personnel who would have their tour of duty extended two months working on the two revetment plants.

JOBS GENERATED BY CIVIL WORKS ACTIVITIES

Chairman HATFIELD. What is the Corps "rule of thumb" on the number of jobs per million dollars of funds provided? Does this include necessary tools, equipment, materials, and transportation?

General BRATTON. The Corps is currently using the following "rule of thumb" estimates for jobs per million dollars:

Appropriation title	*Jobs*
General investigations	35
Construction, general	40
Operation and maintenance, general	44
Flood control, Mississippi River and tributaries	40

These figures include both Governmental and non-Governmental jobs for direct on and off-site employment. They also include an allowance for necessary tools, equipment, materials, and transportation. They do not include any allowance for induced or secondary employment.

WORK IN HIGH UNEMPLOYMENT AREAS

Chairman HATFIELD. If Corps was asked to participate in a jobs stimulus effort, do you have procedures to insure that high unemployment areas are targeted and that contractors go to the unemployment offices to make these job opportunities available?

General BRATTON. We have no formal procedures, but we could, of course, give higher priority to those contracts and projects which are in high unemployment areas. Large contracts, where feasible, could be divided into smaller contracts which are more likely to be filled with local workers. While Federal contracting procedures preclude designating specific contractor hiring, it is our experience that contractor's labor usage on Corps projects is better than 75 percent local hire.

CONSTRUCTION PROGRAM DECLINE

Chairman HATFIELD. Gentlemen, this Committee is very concerned with the decline in the Corps' construction. I believe that if this trend continues, we will seriously impact our ability to respond to natural disasters and defense emergencies namely through the loss of quality engineers and technicians within the Corps of Engineers Civil Works program.

INTERESTING FACTS

The construction program has fallen from $1.6 billion in 1981 to $900 million in 1984.

Approximately $230 million of the $900 million budget request is for overhead (non-productive) expenses.

Over $200 million goes to 6 projects.

Mr. Gianelli, could you and the Administration support the initiation of a limited number of high priority projects similar to those you have worked so hard on and some other critical work associated with the aging and outmoded facilities and structures operated by the Corps, but under the traditional method of cost sharing?

Mr. GIANELLI. I do not think it is either necessary or appropriate to initiate new Corps activities under traditional financing formulas. In all areas other then inland navigation beneficiaries should participate more in the financing of projects and, in the case of inland navigation, structures should repay a very substantial portion of the project costs over the life of the project. I think it is important to point out that with innovative financing substantially more jobs can be created per dollar of Federal expenditure than under historic formulas. So if the object is to create the maximum number of jobs with a given Federal budget, those limited Federal dollars should be spent on projects with substantial non-Federal participation in overall project financing, particularly the 13 new construction starts for which the project sponsors have expressed a willingness to enter into an innovative financing agreement.

RECREATION COST SHARING

Senator ABDNOR. I understand that in seeking potential innovative funding candidates you have sought a 50 percent local sponsor share for "separable recreation". In light of constrained Federal water resources budgets, why does recreation continue to receive a Federal share of 50 percent while most other purposes receive a lesser Federal share?

Mr. GIANELLI. The requested 50 percent local sponsor's share for the financing of recreation costs reflects the nature of recreation benefits, particularly the kind of benefits that are associated with the majority of civil works projects containing recreation benefits. These are flood protection projects where recreation is an added feature which takes advantage of the lands acquired for flood control purposes and permits them to be further developed in the interest of local recreation use. The kinds of recreation experiences which are possible at flood protection projects consist of a wide variety of day use activities, picnicking, hiking, bike trails, and the like. These kinds of activities are not easily vendible, that is, it is difficult to charge the users and to exclude from use those who do not pay. Recognizing the fact that the costs of recreation facilities of the type we are largely providing cannot be readily recovered from beneficiaries suggests that a larger Federal share is more appropriate than would be the case in fully vendible outputs such as hydroelectric power or municipal and industrial water supply. What the Federal share is, is, of course, ultimately a judgment. In making our policy, we recognized that recreation is not as high a priority output as flood control and thus we limited the Federal share to 50 percent as opposed to 65 percent Federal financing provided for flood control. Moreover, in selecting 50 percent we are acting in accord with existing laws governing recreation development and cost sharing at civil works projects.

OPERATION AND MAINTENANCE INCREASES

Senator ABDNOR. Why has the O&M budget increased so significantly? Does this increase reflect to any degree either the results of inadequate past O&M budget and/or the increasing age of Corps facilities? After accounting for inflation, will maintenance costs at existing Corps facilities tend to increase in future years?

Mr. GIANELLI. The primary reasons for the increases in the O&M budget in recent years are; as you indicated, the aging of Corps facilities which requires an increased maintenance level of funding including that required for rehabilitation; the fact that more projects are coming on line, some requiring federal maintenance; and new legislation which creates additional requirements e.g., safety, health, environmental considerations. So even after adjusting for inflation, I would expect Corps maintenance requirements to continue to increase in the future.

NATIONAL ECONOMIC DEVELOPMENT AND COST SHARING

Senator ABDNOR. How do you reconcile the seeming contradiction between the new Principles and Guidelines' emphasis on National Economic Development as a primary indicator of a project's worth and the Administration's emphasis on increased local cost sharing?

Mr. GIANELLI. I think that the Administration's emphasis on increased local cost sharing is in absolute accord with the emphasis on national economic development as the primary indicator of a project's worth. Following national economic development in plan formulation merely means that all the benefits and costs of a project are accounted for and the project which maximizes the net economic benefits is selected. Presumably in most cases it would be this project which beneficiaries would be most enthusiastic about supporting and would be most willing to put together a financing package that would allow the project to move ahead. We recognize in some cases there may be some special consideration which would make a different project more attractive. It is for that reason in the Guidelines that we have emphasized that state and local concerns are to be fully addressed in the planning processes. We believe the combination of economic efficiency criteria and accommodation of state and local concerns will produce projects which are most likely to obtain support and funding from local project sponsors.

EMPLOYMENT FROM CORPS ACTIVITIES

Senator ABDNOR. Could you estimate how many persons were directly employed by Corps of Engineers activities both in the Government and in the private sector each year since 1970?

Mr. GIANELLI. I will provide that information for the record.

[The information follows:]

Direct Employment - All Civil Works Activities - FY 1970-1984

FISCAL YEAR	CORPS EMPLOYMENT (Total Workyears)	PRIVATE SECTOR EMPLOYMENT (Work Years)
1970	31,915	40,110
1971	32,167	42,084
1972	31,000	46,074
1973	31,189	49,980
1974	31,654	43,302
1975	31,850	38,934
1976	32,502	45,108
1977	33,050	45,822
1978	33,002	48,216
1979	32,958	46,032
1980	32,538	48,770
1981	31,745	43,848
1982	32,177	39,648
1983	30,564	35,448
1984	28,935	33,054

NOTE: Corps manpower during the period 1970-1981 were based on end-strengths. Since 1981 it is based on full-time-equivalent work years.

JOBS FROM BUDGET INCREASES

Senator **Abdnor**. How many new Corps related jobs would be created per $1 million increase in the Corps' "Construction General" and O&M budgets?

Mr. **Gianelli**. The Corps uses a "Rule of Thumb" for existing jobs generated by certain types of Civil Works activities. The figure is useful as an average for large numbers of projects or studies, but may not be accurate for any one individual project or study. Using the current "Rule of Thumb" for every $1 million increase in the Construction General and Operation and Maintenance budget, 40 and 44 jobs would be generated, respectively. These figures include both Government and private sector jobs for both direct on-and off-site employment. They also include an allowance for necessary tools, equipment, materials, and transportation. They do not include any allowance for induced or secondary employment.

DAM SAFETY PROJECT

Senator **Abdnor**. What is the Dam Safety Assurance project alluded to in your budget summary?

Mr. **Gianelli**. An allocation of $3.2 million is requested for the Muskingum River Lakes Dam Safety Assurance project in Ohio. Parapet walls are needed at three Muskingum projects, Charles Mill, Mohicanville and Leesville, to prevent overtopping. In fiscal year 1984, wall construction will continue at Charles Mill and Mohicanville, an the wall at Leesville will be completed.

PROJECT IMPLEMENTATION

Senator **Abdnor**. If a local sponsor cannot meet the Corps recommendations cost shares, does that mean the project will not be built? If not, how will such projects be built?

Mr. **Gianelli**. The non-Federal financing objectives which we are following in putting together our new start recommendations are carefully designed to take into account the differences among the various kinds of project purposes. We also are flexible in our willingness to accommodate whatever timing problems the non-Federal sponsor may have in putting together its share of project financing. However, it goes without saying that, if the local sponsor is unwilling to meet its share, it is unlikely that the project would proceed under some other auspices at this time of great budgetary austerity. Not all projects can, or indeed should, proceed now. Innovative financing arrangements are designed to assure that as many good projects as possible can proceed to construction on a timely basis, given the reduced Federal dollars available for such investments. Otherwise, non-Federal interests will have to totally finance the project and move ahead on their own. This, I might add, is what the State of Alaska has elected to do on the Bradley Lake power project.

BENEFIT COST RATIOS

Senator **Abdnor**. For the record, could you provide the Benefit-Cost ratios for all the Corps projects presently under construction, the 14 proposed new starts for fiscal year 1984, and all other authorized but unfunded projects.

Mr. **Gianelli**. Yes, sir, we will provide that information for the record.

[The information follows:]

AE&D PROJECTS IN FY-84 BUDGET
SORT: STATE ORDER

	AUTH BCR	
L'ANGUILLE RIVER, AR	1.6	
MCKINNEY BAYOU, AR & TX	1.6	
COTTONWOOD CREEK, CA	1.3	
GOLETA AND VICINITY, CA	1.0	
NOYO RIVER AND HARBOR (BREAKWATER), CA	1.7	
NOYO RIVER AND HARBOR (CHANNEL EXTENSION), CA	1.3	
TAMPA HARBOR FLORIDA BRANCH CHANNELS, FL	1.1	* NEW *
HILLVIEW D&LD, IL	1.7	
MEREDOSIA, ILLINOIS AND MEREDOSIA WILLOW CREEK & COON RUN D&LD, IL	1.5	
MEREDOSIA LAKE AND WILLOW CREEK D&L DIST, IL	1.2	
ROCK RIVER AGRICULTURAL LEVEES, IL	1.8	
FRANKFORT, KY (SOUTH FRANKFORT)	1.3	
MISSISSIPPI DELTA REGION, LA	3.2	
CHASKA, MN	1.3	
EAST GRAND FORKS, MN	1.8	
YAZOO RIVER, MS	3.2	
HANNIBAL, MO	1.5	
DELAWARE RIVER IN THE VICINITY OF CAMDEN, NJ	10.8	
SANTA FE RIVER AND ARROYO MASCARAS, NM	1.4	
SHEYENNE RIVER, ND	7.4	
RENO BEACH - HOWARD FARMS AREA, OH	1.5	
FRANCIS E. WALTER DAM, PA (MODIFICATION)	1.5	
TAMAQUA, PA	1.1	
CLEAR CREEK, TX	2.9	
MILLICAN LAKE, TX	1.7	
TOWN BLUFF HYDROPOWER, TX	1.5	* NEW *
TRINITY RIVER PROJECT, TX	1.4	
GREEN BAY HARBOR, WI	3.0	
STATE ROAD AND EBNER COULEES, WI	1.3	

CONSTRUCTION PROJECTS IN FY-84 BUDGET
SORT: STATE ORDER

	AUTH RB/RC	
TENNESSEE TOMBIGBEE WATERWAY, AL & MS	3.9	
BRADLEY LAKE, AK	2.5	1/
CHENA RIVER LAKES, AK	N/A	
KAKE HARBOR, AK	1.6	
INDIAN BEND WASH, AZ	N/A	
PHOENIX AND VICINITY, AZ (STAGE 2 & REMAINING WORK)	1.7	
CHANNEL IMPROVEMENT AR, IL, KY, MS, MO & TN	16.7	
MCCLELLAN-KERR ARK RIVER NAVIGATION SYSTEM LOCKS AND DAMS, AR & OK	N/A	
OUACHITA & BLACK RIVERS, AR & LA	10.7	
ST FRANCIS BASIN, AR & MO	3.7	
TENSAS BASIN, AR	3.1	
BODEGA BAY, CA	2.5	* NEW *
CUCAMONGA CREEK, CA	3.2	
DRY CREEK (WARM SPRINGS) LAKE AND CHANNEL, CA	1.9	
FAIRFIELD VICINITY STREAMS, CA	1.1	* NEW *
LACDA LA RIVER CHANNEL, CA (REHAB)	1.1	
MERCED COUNTY STREAMS, CA	1.2	* NEW *
NEW MELONES LAKE, CA	3.4	
SACRAMENTO RIVER & MAJOR AND MINOR TRIBUTARIES, CA	N/A	
SAN FRANCISCO BAY TO STOCKTON, CA	3.0	
SAN JACINTO RIVER LEV & BAUTISTA CRK CHANNEL, CA	N/A	
SAN LUIS REY RIVER, CA	1.0	* NEW *
SURFSIDE-SUNSET & NEWPORT BEACH, CA	5.3	
WALNUT CREEK, CA	3.9	
WILDCAT & SAN PABLO CREEKS, CA	1.2	
CHATFIELD LAKE, CO	6.6	

1/ BRADLEY LAKE HAS NOW BEEN DEAUTHORIZED AS LOCAL SPONSORS INTEND TO CONSTRUCT THE PROJCT ON THEIR OWN. FY-84 BUDGET AMOUNT IS ZERO.

CONSTRUCTION PROJECTS IN FY-84 BUDGET
SORT: STATE ORDER

	AUTH RB/RC	
NEW LONDON HURRICANE BARRIER, CT	9.0	
DEL COAST BEACH EROSION CONTROL & HURRICANE PROT, DE	2.4	
BROWARD COUNTY (REIMB), FL	2.6	
CENTRAL & SOUTHERN FLORIDA, FL	5.1	
DADE COUNTY, FL	N/A	
DUVAL COUNTY, FL	N/A	
FOUR RIVER BASINS, FL	2.6	
PALM BEACH COUNTY (REIMB), FL	1.5	
PINELLAS COUNTY, FL	6.2	
TAMPA HARBOR-MAIN CHANNEL, FL	6.0	
HARTWELL LAKE UPPER AND LOWER DIVERSION DAMS, GA & SC (MAJ RHB)	N/A	
RICHARD B. RUSSELL DAM AND LAKE, GA & SC	7.1	
WALTER F. GEORGE LOCK AND DAM (MAJOR REHAB), GA & AL	N/A	
BARBERS POINT HARBOR, OAHU, HI	7.5	
KAHOMA STREAM, HI	1.6	* NEW *
KAHULUI HARBOR, MAUI, HI (REHAB)	N/A	
DWORSHAK DAM AND RESERVOIR, ID	N/A	
EAST ST. LOUIS AND VICINITY, IL	1.8	
ILLINOIS WATERWAY, BRANDON ROAD L&D, IL (REHAB)	N/A	
ILLINOIS WATERWAY, LOCKPORT L&D, IL (REHAB)	N/A	
KASKASKIA RIVER NAVIGATION, IL	3.6	
KASKASKIA ISLAND DRAINAGE AND LEVEE DISTRICT, IL	1.9	
LOCK AND DAM NO 26, MISSISSIPPI RIVER, ALTON, IL & MO	4.6	
LOCKS AND DAM 53, IL & KY (REHAB)	N/A	
LOCKS AND DAM 52, IL & KY (REHAB)	N/A	

CONSTRUCTION PROJECTS IN FY-84 BUDGET
SORT: STATE ORDER

	AUTH RB/RC	
MCGEE CREEK DRAINAGE AND LEVEE DISTRICT, IL	4.9	
MILAN, IL	7.2	
ROCKFORD, IL	6.3	
SMITHLAND LOCKS AND DAM, IL, IN & KY	N/A	
WOOD RIVER DRAINAGE AND LEVEE DISTRICT, IL	N/A	
EVANSVILLE, IN	4.9	
BETTENDORF, IA	2.4	
CORALVILLE LAKE, IA	N/A	
DAVENPORT, IA	1.2	* NEW *
LITTLE SIOUX RIVER, IA	N/A	
MISSOURI RIVER LEVEE SYSTEM, IA, NE, KS & MO	1.8	
SAYLORVILLE LAKE, IA	2.3	
WATERLOO, IA	3.3	
EL DORADO LAKE, KS	1.8	
BIG SOUTH FORK NATIONAL RIVER & RECREATION AREA, KY & TN	N/A	
CAVE RUN LAKE, KY	N/A	
LAUREL RIVER LAKE, KY	N/A	
PAINTSVILLE LAKE, KY	3.4	
REELFOOT LAKE, LAKE NO. 9, KY & TN	3.6	
SOUTHWESTERN JEFFERSON COUNTY, KY	5.8	
TAYLORSVILLE LAKE, KY	1.6	
ATCHAFALAYA BASIN, LA	16.7	
BAYOU BODCAU AND TRIBUTARIES, LA	1.7	
BAYOU COCODRIE AND TRIBUTARIES, LA	1.4	
LAKE PONTCHARTRAIN AND VICINITY, LA (HURRICANE PROTECTION)	16.2	

CONSTRUCTION PROJECTS IN FY-84 BUDGET
SORT: STATE ORDER

	AUTH RB/RC	
LAROSE TO GOLDEN MEADOW, LA (HURRICANE PROTECTION)	5.9	
LELAND BOWMAN LOCK, LA (REPLACEMENT)	3.3	
LOWER RED RIVER - SOUTH BANK RED RIVER LEVEES, LA	16.7	
MISSISSIPPI RIVER, BATON ROUGE TO THE GULF OF MEXICO, LA	62.9	
MISSISSIPPI RIVER LEVEES, LA	16.7	
MISSISSIPPI RIVER - GULF OUTLET, LA	2.6	
MORGAN CITY AND VICINITY, LA (HURRICANE PROTECTION)	2.0	
NEW ORLEANS TO VENICE, LA (HURRICANE PROTECTION)	7.4	
OLD RIVER, LA	16.7	
RED RIVER WATERWAY - MISSISSIPPI RIVER TO SHREVEPORT, LA	1.5	
JONESPORT HARBOR, ME	1.3	
BALTIMORE HARBOR & CHANNELS, MD & VA (50 FT PROJECT)	6.4	
BASSETT CREEK, MN	1.2	* NEW *
BIG STONE LAKE, WHETSTONE RIVER, MN & SD	3.2	
MANKATO & NORTH MANKATO, MN	3.0	
WINONA, MN	2.4	
TOMBIGBEE RIVER AND TRIBUTARIES, MS & AL	1.1	
YAZOO BASIN, MS	3.4	
CLARENCE CANNON DAM AND MARK TWAIN LAKE, MO	6.2	
HARRY S. TRUMAN DAM AND RESERVOIR, MO	2.8	
LITTLE BLUE RIVER LAKES, MO	3.1	
LITTLE BLUE RIVER CHANNEL, MO	3.9	
LONG BRANCH LAKE, MO	2.4	
MISS RIVER BTWN THE OHIO & MO RIVERS (REG WORKS), MO & IL	23.2	
GREAT FALLS, MT	12.2	

CONSTRUCTION PROJECTS IN FY-84 BUDGET
SORT: STATE ORDER

	AUTH RB/RC	
LIBBY ADDITIONAL UNITS, MT	4.2	
PAPILLION CREEK AND TRIBUTARIES LAKES, NE	3.2	
ELIZABETH RIVER FLOOD CONTROL PROJECT, NJ	2.3	
EAST ROCKAWAY INLET TO ROCKAWAY INLET AND JAMAICA BAY, NY	N/A	
ELLICOTT CREEK, NY	1.8	* NEW *
IRONDEQUOIT BAY, NY	4.0	
NY HARBOR COLLECTION & REMOVAL DRIFT PROJECT, NY & NJ	5.1	
AIWW-REPLACEMENT OF FEDERAL HIGHWAY BRIDGES, NC	N/A	
B. EVERETT JORDAN DAM AND LAKE, NC	2.6	
FALLS-LAKE, NC	2.1	
RANDLEMAN LAKE, NC	1.5	* NEW *
LAKE DARLING, SOURIS RIVER, ND	2.7	
MILL CREEK, OH	3.3	
MUSKINGUM RIVER LAKES, OH (DAM SAFETY ASSURANCE)	N/A	
MUSKINGUM RIVER LAKES, OH (REHAB)	N/A	
NEWARK, OH	2.8	
POINT PLACE, OH	1.6	
ARCADIA LAKE, OK	2.4	
SKIATOOK LAKE, OK	6.9	
BONNEVILLE SECOND POWERHOUSE, OR & WA	N/A	
BONNEVILLE POWER UNITS, OR & WA	2.2	* NEW *
JOHN DAY LOCK AND DAM, LAKE UMATILLA, OR & WA	N/A	
LOWER COLUMBIA RIVER BASIN BANK PROTECTION, OR & WA	2.0	
STRUBE LAKE AND COUGAR ADDITIONAL UNIT, OR	2.1	* NEW *
WILLAMETTE RIVER BASIN BANK PROTECTION, OR	2.2	

CONSTRUCTION PROJECTS IN FY-84 BUDGET
SORT: STATE ORDER

	AUTH RB/RC	
WILLOW CREEK LAKE HEPPNER, OR	N/A	
EMSWORTH LOCKS AND DAM, OHIO RIVER, PA (MAJOR REHAB)	N/A	
KINZUA DAM AND ALLEGHENY RESERVOIR, PA & NY (MAJOR REHAB)	N/A	
MONTGOMERY LOCKS AND DAM, OHIO RIVER, PA (MAJOR REHAB)	N/A	
PRESQUE ISLE, PA	N/A	
WYOMING VALLEY, PA (REMEDIAL WORK) (DEF COR)	N/A	
PONCE HARBOR, PR	7.6	
PORTUGUES AND BUCANA RIVERS, PR	2.1	
COOPER RIVER, CHARLESTON HARBOR, SC	5.2	
LITTLE RIVER INLET, SC & NC	4.2	
WEST TENNESSEE TRIBUTARIES, TN	3.3	
ARKANSAS-RED RIVER BASINS CHLORIDE CONTROL, TX (AREA VIII)	10.5	
CORPUS CHRISTI BEACH, TX (RESTORATION PROJECT)	N/A	
CORPUS CHRISTI SHIP CHANNEL, TX (1968 ACT)	6.1	
EL PASO, TX	3.3	
FREEPORT HARBOR, TX	5.8	
FREEPORT HARBOR, TX (RELOCATION OF NORTH JETTY)	5.8	* NEW *
HIGHLAND BAYOU, TX	N/A	
JOE POOL LAKE (FORMERLY LAKEVIEW LAKE), TX	4.8	
RAY ROBERTS LAKE, TX	2.4	
SAN ANTONIO CHANNEL IMPROVEMENT, TX	1.6	
SAN GABRIEL RIVER, TX	N/A	
TAYLORS BAYOU, TX	1.3	
VINCE AND LITTLE VINCE BAYOUS, TX	2.1	
VIRGINIA BEACH, VA (1962 MODIFICATION) (REIMB)	N/A	* NEW *

CONSTRUCTION PROJECTS IN FY-84 BUDGET
SORT: STATE ORDER

	AUTH RB/RC
VIRGINIA BEACH STREAMS, CANAL NO TWO, VA	2.6
CHIEF JOSEPH DAM ADDITIONAL UNITS, WA	5.0
LAKE WASHINGTON SHIP CANAL, WA (REHAB)	N/A
LOWER SNAKE RIVER FISH AND WILDLIFE COMPENSATION, WA, OR & ID	3.1
MILL CREEK LAKE, WA (REHAB)	N/A
BEECH FORK LAKE, WV	1.6
BURNSVILLE LAKE, WV	N/A
LEVISA & TUG FORKS OF BIG SANDY RVR & CUMBERLAND RVR, WV, VA & KY	N/A
R D BAILEY LAKE, WV	N/A
STONEWALL JACKSON LAKE, WV	1.5

CONSTRUCTION PROJECTS NOT IN FY-80 BUDGET
REMAINING BENEFIT-REMAINING COST RATIO AT APPLICABLE RATE

SNETTISHAM POWER PROJECT,AK 1962 ACT	4.9
MOBILE HARBOR THEODORE SHIP CHANNEL,AL	2.3
CACHE BASIN AR 1950 ACT	2.8
LOWER ARKANSAS RIVER, AR	11.7
LOWER ARKANSAS RIVER, AR SOUTH BANK	16.7
SECTION 6 LEVEES,AR,LA,IL,MS,MO	N/A
GILA RIV-CAMELSBACK RES SITE,AZ 1958 ACT	4.1
CORTE MADERA CREEK,CA 1962,66 ACTS	1.6
IMPERIAL BEACH,CA 1958 ACT	3.0
PORT HUENEME HARBOR 1968 ACT	19.7
PORT SAN LUIS-SAN LUIS OBISPO,CA 1965,76	2.1
SAC RIV BANK PROTECTION,CA 1960 ACT	N/A
SAC RIV CHICO LDG TO RED BLUFF,CA 1958,76 ACT	2.5
SACRAMENTO RIVER FLOOD CONTROL PROJECT	N/A
SAN DIEGO RIV & MISSION BAY,CA 1944,45 ACTS	3.2
SANTA CRUZ HARBOR,CA	4.1
SANTA PAULA CREEK,CA 1948 ACT	0.3
SWEETWATER RIVER,CA 1968 ACT	2.3
SILVER BEACH TO CEDAR BEACH,CT 1954 ACT(REIMB	1.3
IWW DEL R TO CHES BAY C&D CANAL PT II 1954ACT	N/A
BREVARD COUNTY,FL 1968 ACT	1.4
CANAVERAL HARBOR,FL 1962 ACT	1.3
CROSS FLORIDA BARGE CANAL,FL 1962 ACT	N/A
FORT PIERCE BEACH,FL 1965, 68 ACT-REIMB	3.8
MULLET KEY, FL 1966 ACT	12.8
PORT EVERGLADES HARBOR,FL -SEC 201, 1974	1.6
VIRGINIA KEY & KEY BISCAYNE,FL 1962 ACT	7.8
SPEWRELL BLUFF LAKE,GA 1963 ACT	1.6

CONSTRUCTION PROJECTS NOT IN FY-84 BUDGET
REMAINING BENEFIT-REMAINING COST RATIO AT APPLICABLE RATE

WEST POINT LAKE GA & ALA 1962 ACT	1.5
WAIKIKI BEACH OAHU HI 1965 ACT	59.0
MO RIV SIOUX CITY-MOUTH, IA KS MO NB 1945 ACT	1.4
CALUMET HARBOR & RIVER,IL 1962, 65 ACTS	5.9
LITTLE CALUMET RIVER,IL 1974 ACT	N/A
NEWBURGH LOCKS & DAM,IN,KY 1909 ACT	6.7
UNIONTOWN LOCKS & DAM,IN,KY 1909 ACT	7.5
KANSAS CITY,KS 1962 MOD	4.2
CARR FORK LAKE,KY 1962 ACT	1.2
YATESVILLE LAKE, KY.	1.12
GRAND ISLE & VIC,LA SEC 201, 1976 ACT	1.8
RED R EMER BANK PROTECTION - 1968,1975 ACTS	N/A
TENSAS-NAT WILDLIFE REFUGE, LA	N/A
FALL RIVER HARBOR, MA,RI 1968 ACT	7.6
LYNN-NAHANT BEACH,MA 1954 ACT (REIMB)	1.4
NORTH SCITUATE BEACH,MA 1960 ACT (REIMB)	5.9
PLYMOUTH-TOWN BEACH,MA 1960 ACT (REIMB)	1.7
TOWN NECK BEACH,MA 1960 ACT (REIMB)	1.2
WINTHROP BEACH,MA 1960 ACT (REIMB)	2.0
BATTLE CREEK,MI 1954 ACT	5.4
GREAT LAKES CONNECT.CHANLS,MI 1946, 54 ACTS	4.0
SAGINAW RIVER,MI 1958 ACT	1.5
BLUE RIVER CHANNEL,KANSAS CITY,MO 1970 ACT	1.9
MISS R BTW MO R & MINN IL,MN 1930,35 ACTS	2.5
PERRY CO D&L DISTS 1,2,3,MO SEC 201,1972	2.9
DREDGING	16.7
GRENADA LAKE,MS - YAZOO BASIN	5.4
MUDDY BAYOU CONT STRUCTURE,MS,YAZOO BASIN	5.4

CONSTRUCTION PROJECTS NOT IN FY-80 BUDGET
REMAINING BENEFIT-REMAINING COST RATIO AT APPLICABLE RATE

STREAMBANK EROSION CONTROL,MS,SEC 32,1974	3.4
TALLAHALA CREEK LAKE,MS 1958 ACT	1.2
WILLIAM WHITTINGTON AUX CHAN,MS-YAZOO BASIN	3.4
AIWW MASONBORO INLET,NC 1950 ACT	1.8
CAROLINA BEACH HURR PROT,NC 1962 ACT	4.3
FORT MACON STATE PARK,NC 1962 ACT - REIMB	1.6
MANTEO (SHALLOWBAG) BAY,NC 1970 ACT	1.16
HAMPTON BEACH,NH 1962 ACT (REIMB)	2.3
PERTH AMBOY,NJ 1965 ACT - REIMB	1.2
RARITAN & SANDY HOOK BAYS NJ 1962 ACT	2.3
STONE HARBOR,NJ 1960 ACT - REIMB	N/A
FIRE ISL INLT - MONTAUK POINT,NY 1960/74 ACTS	3.2
FIRE ISLAND INLET-JONES INLET,NY 1962 ACT	1.4
ALUM CREEK LAKE, OHIO	4.8
CAESAR CREEK LAKE,OH, 1938,58, 61 ACTS	2.1
CUYAHOGA RIVER BASIN,OH 1970 ACT	1.04
WILLIAM H HARSHA LAKE 1938,1958&1961ACTS	2.2
CANDY LAKE, OK 1962 ACT	2.0
COPAN LAKE,OK,KS 1962 ACT	1.9
LUKFATA LAKE, OK 1958 ACT	1.4
SARDIS LAKE, OKLAHOMA	1.6
ELK CREEK LAKE, OR 1962 ACT	1.2
SIUSLAW RIVER AND BAR OREGON	1.0
CHARTIERS CREEK,PA 1965 ACT	1.8
DEL RIV PHILA-TO-SEA ANCHOR.,PA,NJ 1958 ACT	N/A
TIOGA-HAMMOND LAKES, PA	N/A
SAN JUAN & VIC,PR 1962 ACT -REIMB	2.4
CLIFF WALK NEWPORT 1965 ACT	1.4

CONSTRUCTION PROJECTS NOT IN FY-80 BUDGET
REMAINING BENEFIT-REMAINING COST RATIO AT APPLICABLE RATE

HUNTING ISLAND BEACH, SC 1965 ACT	1.3
CHANNEL IMPROVEMENT DREDGING-CONSTRUCTION	16.7
BUFFALO BAYOU & TRIBS, TX 1938, 55 ACTS	3.7
COOPER LAKE & CHANNELS, TX	1.7
DUCK CREEK CHAN IMPR, TX 1965 ACT	1.5
MOUTH OF COLORADO RIVER, TX 1968 ACT	7.3
WALLISVILLE LAKE TRINITY RIV 1962 ACT NAV	3.7
KENOSHA HARBOR, WI 1962 ACT	5.1
LAFARGE LAKE & CHANNEL IMPRV., WI 1962 ACT	1.4

AE&D PROJECTS NOT IN FY-84 BUDGET - AUTH BENEFIT-COST RATIO

MONTGOMERY TO GADSDEN, AL (1945 ACT)	0.31
BIG CREEK & TRIBS LOWER WHITE RIVER AR	1.5
NORFORK LAKE-UNITS 3 & 4,AR 1941 ACT	N/A
PINE MOUNTAIN LAKE,AR 1965 ACT	1.2
WHITE RIVER FISH HATCHERY,AR 1976 ACT	N/A
GILA & SALT RIV GILLESPIE TO MCDOWELL	0.5
PAJARO RIVER 1944 ACT (CARNADERO CREEK)	5.0
GIWW ST MARKS TO TAMPA BAY,FL 1968 ACT	1.1
LEE COUNTY,FL SEC 201, AUTH 1970	0.5
LIDO KEY,FL 1970 ACT	0.6
MANATEE COUNTY,FL SEC 201, AUTH 1975	1.5
BROADWAY LAKE SC 1974 ACT	N/A
LAZER CREEK LAKE, GA (1965 ACT)	1.2
LOWER AUCHUMPKEE CREEK LAKE, GA 1965 ACT	1.2
KAUNAKAKAI LD HARBOR,MOLOKAI,HI 1962 ACT	5.1
KAWAIHAE SM BOAT HBR,HAWAII,HI 1965 ACT	2.4
KIKIAOLA SMALL BOAT HBR, KAUAI, HI 1959 ACT	2.2
MAALAEA SMALL BOAT HARBOR, MAUI, HI 1965 ACT	4.3
NAWILIWILI DD HARBOR, KAUAI, HI 1970 ACT	N/A
COTTONWOOD CREEK DAM, IDAHO	1.3
LUCKY PEAK SECOND OUTLET IDAHO 1976 ACT	N/A
BIG SWAN D&L DIST,IL	1.3
ELDRED & SPANKEY D&L DIST,IL	1.9
FARMERS DRAIN & LEVEE DIST,IL 1968 ACT	1.15
FT CHARTRES & IVY DRAIN DIST NO 5 &	1.06
HARTWELL D&L DIST,IL	1.4
ILL WW-DUPLICATE LOCKS,IL 1962 ACT	N/A
LOUISVILLE LAKE,IL 1968 ACT	1.1
MOLINE,IL SEC 201, 1972	1.15

AE&D PROJECTS NOT IN FY-84 BUDGET - WITH BENEFIT-COST RATIO

NUTWOOD D&L DIST,IL	2.5
RUSSELL & ALLISON LEVEE 1958 ACT LAWRENCE	1.09
SAVANNA SMALL BOAT HARBOR,IL 1962 ACT	1.5
SCOTT COUNTY D&L DIST, IL	1.2
SNY ISLAND LEVEE DRAIN DIST,IL 1937,45,58 ACT	N/A
DOWNEYVILLE LAKE,IN 1968 ACT	1.4
DOUGLASS LAKE, KS 1965 ACT	1.01
MELVERN & POMONA LAKES RD IMPR,KS 1974 ACT	N/A
TUTTLE CREEK LAKE ROAD & BRIDGE,KS 1975 ACT	N/A
KEHOE LAKE, KY.	1.11
MARTIN, KY. LPP	1.7
BUSHLEY BAYOU LA 1974 ACT (PHII)	1.2
EAST. RAPIDES-SO CEN AVOYELLES PAR.,LA 1970	1.7
RED RIVER WATERWAY, SHREVEPORT,LA TO INDEX,TX	1.14
SHREVEPORT TO DAINGERFIELD	1.2
WEST AGURS LEVEE, LA 1976 WRD ACT	1.14
IPSWICH RIVER, MA 1968 ACT	0.85
NOOKAGEE LAKE,MA 1966 ACT	1.16
NORTH NASHUA RIVER FLOOD CONTROL PROJECT --	N/A
PLEASANT BAY, MA 1970 ACT	1.03
REVERE BEACH SEC 201 1970 SUFFOLK COUNTY	0.1
WHITMANVILLE LAKE, MA 1966 ACT	1.5
LINCOLN SCHOOL LAKE, ME (1965 ACT)	2.0
BLACK RIVER HARBOR,MI SEC 201, 1970	0.99
CEDAR RIVER HARBOR MICH. 1965 ACT	3.1
CROSS VILLAGE HARBOR,MI 1966 ACT	1.3
FORESTVILLE HARBOR,MI 1968 ACT	1.11
HOLLAND HARBOR ENTRANCE CHANNEL	1.4

AE&D PROJECTS NOT IN FY-84 BUDGET - WITH BENEFIT-COST RATIO

MIDDLE CHANNEL-ST CLAIR RIVER,MI 1946 ACT	N/A
RED RUN DRAIN-LOWER CLINTON RIV,MI 1970 ACT	1.4
BEAVER BAY HARBOR,MN 1945 ACT	N/A
GUIDEWALL EXT LOCK NO 3,MN 1950, 65 ACTS	N/A
HARRIET ISLAND	4.9
KNIFE RIVER HARBOR,MN 1974 ACT	N/A
LUTSEN HARBOR,MN 1945 ACT	N/A
ROCHESTER,MN 1974 ACT	1.2
TWIN VALLEY LAKE,WILD RICE RIVER,MN 1970	1.2
ANGLER USE SITES,MO	0.48
IRONDALE LAKE, MO	0.94
I-35 LAKE, MO	1.02
LOWER GRAND RIVER, MO 1965 ACT	1.3
MERAMEC RIVER BASIN, MO	N/A
MISS RIV AGRI AREA 12,MO	1.4
PINE FORD LAKE, MO	1.18
UNION LAKE, MO	1.13
GREENVILLE HARBOR MS 1974 ACT (PH I)	7.3
MISS R E BANK VICKSBURG-YAZOO MS 1974(PH II)	0.96
FORT FISHER & VICINITY,NC SEC 201,1975	2.2
MOREHEAD CITY HARBOR,NC 1957 ACT	1.5
REDDIES RIVER LAKE,NC 1946 ACT	1.01
MISSOURI NATIONAL RECREATIONAL RIVER, NE & SD	N/A
DEL RIV PHILA,PA-TRENTON,NJ SEC 201, 1976	12.9
GREAT EGG HBR INLET & PECK BE,NJ SEC 201,70	1.05
LIBERTY STATE PARK, LEVEE & SEAWALL, NJ	N/A
TOWNSEND INLET & SEVEN MI BE,NJ SEC 201,1970	1.06
ALAMOGORDO DIVERSION CHANNEL	4.9
RIO GRANDE FLOODWAY, TRUTH OR CONSEQUENCES,NM	N/A

AE&D PROJECTS NOT IN FY-84 BUDGET - WITH BENEFIT-COST RATIO

HUMBOLDT RIVER AND TRIBS NEVADA 1950 ACT	1.5
ARDSLEY,NY SEC 201, AUTH 1976	1.2
DANSVILLE & VIC, NY 1958 ACT	1.09
MORICHES INLET,NY 1960 ACT	4.5
PORT BAY 1950 R&H ACT	1.08
PORT ONTARIO HARBOR,NY 1945 ACT	N/A
SAWMILL R,ELMSFORD-GREENBURG,NY SEC 201,1976	1.7
SHINNECOCK INLET,NY 1960 ACT	2.2
SOUTH ELLENVILLE,NY 1962 ACT	1.8
FAIRPORT HARBOR, OH (SEC 201) 1977	1.2
GENEVA ON THE LAKE,OH SEC 201, AUTH 1970	1.4
OTTAWA,OH 1956 ACT	1.09
ARK-RED BASINS CHL CONT,OK,TX,KS 1966,70,76	N/A
BIG & LITTLE SALLISAW CREEK, OK 1976 ACT	1.5
RED RIV WW INDEX AR TO DENISON DAM TX	1.7
SAND LAKE, OK 1962 ACT	1.6
SHIDLER LAKE, OK 1966 ACT	1.4
CHETCO RIVER, OREG	1.1
JOHNSON CREEK CHAN IMPR 1950 ACT	1.7
PENINSULA DRAINAGE DIST NO 2 1950 ACT	4.5
HAY CREEK,BIRDSBORO,PA SEC 201,AUTH 1975	N/A
POTTSTOWN,PA -SEC 201, AUTH 1974	0.44
PROMPTON LAKE,PA 1962 MOD	1.05
BRISTOL HARBOR,RI 1968 ACT	2.9
WESTERLY,RI 1965 ACT HURRICANE PROT	0.75
SPRINGFIELD WATER INTAKE, SD	N/A
BIG PINE LAKE,TX 1962 ACT	0.99
BIG SANDY LAKE, TX	1.07

AE&D PROJECTS NOT IN FY-84 BUDGET - WITH BENEFIT-COST RATIO

BIG SPRING, TX	1.08
CLOPTON CROSSING LAKE, TX	1.08
ELM FORK FLOODWAY,TX 1965 ACT	1.5
LAKE BROWNWOOD MODIFICATION,TX 1968 ACT	2.5
NAVARRO MILLS LAKE,TX-ROAD RELOC 1970 ACT	N/A
NAVASOTA LAKE,TX 1968 ACT	0.88
NECHES RIV & TRIBS SALTWATER BARRIER,TX 1976	1.8
PECAN BAYOU LAKE,TX 1968 ACT	1.08
PLAINVIEW, TX	1.04
ROANOKE LAKE,TX 1965 ACT	0.96
LITTLE DELL LAKE UTAH 1968 ACT	1.7
RICHMOND FILTRATION PLANT,VA 1976 ACT	1.9
WENATCHEE CANYONS 1&2,WA SEC 201 AUTH 1970	0.87
ZINTEL CANYON DAM,WA SEC 201 AUTH 1970	0.57
OCEANA W. VA. LPP (SECTION 201)	2.1

PROJECTED SIZE OF CONSTRUCTION PROGRAM

Senator **Abdnor**. Assuming no legislative authority for new construction starts, what is the expected size of the Corps construction program, in number of projects and current dollars, five years from now?

Mr. **Gianelli**. I will provide the information for the record.

[The information follows:]

CONSTRUCTION WORKLOAD

Work category	Fiscal year—				
	1984	1985	1986	1987	1988
Regular project construction:					
Continuing work (dollars in millions)	$952	$1,173	$997	$700	$667
Number of projects	149	137	114	97	84
Mississippi River and tributaries:					
Continuing work (dollars in millions)	206	236	229	222	220
Number of projects	11	11	11	10	9

BACKLOG OF AUTHORIZED PROJECTS

Senator **Abdnor**. Would you tell us the size of the Corps backlog of authorized projects? Please describe the Corps' backlog of authorized projects, together with which projects are likely to go forward and which projects are unlikely to be built unless redesigned or other changes occur. Would you tell us what specifically is the Corps scheduled backlog?

Mr. **Gianelli**. The balance to complete after fiscal year 1984 for active Corps projects totals $26.4 billion. However, in an effort to provide a more realistic view of the balance to complete after fiscal year 1984, the balance has been divided into scheduled and unscheduled portions which total $10.2 billion and $16.2 billion respectively. The scheduled portion, $4.7 billion for Construction, General and $5.5 billion for the features of the MR&T project, consists of outyear funding requirements for budgeted projects scheduled to complete after fiscal year 1984, including the outyear requirements for the fiscal year 1983 and fiscal year 1984 new construction starts. In some cases, where the balance to complete is substantial, the schedules may extend over the next two decades. However, most projects could expect to be completed in five to ten years. The bulk of the scheduled balance to complete reflects traditional cost-sharing for work already underway. The unscheduled portion consists of work that has not been funded for construction, including considerable work for parts of projects that very likely will not be budgeted due to lack of local support or other non-funding reasons; unstarted separable elements having a benefit-cost ratio for that element less than 1.0 at the current interest rate; and some physically unstarted projects or project elements which are not presently ready for initiation of construction and which require further design. Many projects, or elements thereof, in the unscheduled balance to complete, although currently designated as active, may eventually be deauthorized or reclassified to the deferred or inactive categories, and all that would be considered for construction would be reviewed as to the appropriate cost-sharing and financing. Some may proceed to construction at a future date, at which time they would be included in the scheduled portion of the program. I will provide for the record a summary and list of active projects in the balance to complete after fiscal year 1984.

[The information follows:]

As of 1 February 1983

CORPS OF ENGINEERS - CIVIL WORKS
UNFUNDED BALANCE TO COMPLETE AFTER FY 1984
ACTIVE AUTHORIZED PROJECTS

	No. of Proj.	Estimated Federal Cost ($000)	Allocations Thru FY 1983 ($000)	Budget FY 1984 ($000)	Balance to Complete	
					Scheduled ($000)	Unscheduled ($000)
1. CONSTRUCTION NOT STARTED:						
Projects in FY 1984 Budget	27	1,884,520	38,398	10,435	28,511	1,807,176
AE&D New Starts	2	64,400	0	500	1,400	62,500
Continuing AE&D	25	1,820,120	38,398	9,935	27,111	1,744,676
Projects not in Budget	121	8,348,766	120,213	0	0	8,228,553
No AE&D Required	2	244,960	0	0	0	244,960
AE&D Fully Funded	39	1,599,767	43,898	0	0	1,555,869
Continuing AE&D	41	4,948,237	76,245	0	0	4,871,992
AE&D Not Started	38	1,003,802	0	0	0	1,003,802
Restudy Funds Only	1	552,000	70	0	0	551,930
Total	148	10,233,286	158,611	10,435	28,511	10,035,729
2. CONSTRUCTION PROJECTS:						
Projects in FY 1984 Budget	149	19,835,436	11,280,902	952,446	4,669,326	2,932,762
Construction New Starts	5	87,540	6,570	8,320	72,650	0
Continuing Construction	121	19,005,452	11,161,720	876,612	4,470,940	2,496,180
Continuation of Engineering and Design	5	350,180	4,469	1,375	0	344,336
Reimbursements	3	26,400	11,620	7,330	1,574	5,876
Major Rehabilitation and Dam Safety Assurance	15	365,864	96,523	58,809	124,162	86,370
Projects not in Budget	83	4,692,137	2,350,123	0	0	2,342,014
Continuing Construction	70	4,671,885	2,339,046	0	0	2,332,839
Reimbursements	13	20,252	11,077	0	0	9,175
Total	232	24,527,573	13,631,025	952,446	4,669,326	5,274,776
3. MISSISSIPPI RIVER AND TRIBUTARIES:						
Projects in FY 1984 Budget	13	9,339,340	3,211,407	207,050	5,524,472	396,411
Continuing AE&D	2	58,100	815	1,100	2,785	53,400
Continuing Construction	11	9,281,240	3,210,592	205,950	5,521,687	343,011
Projects not in Budget	16	756,671	209,742	0	0	544,574
Construction Not Started	5	150,998	2,355	0	0	148,643
Continuing Construction	11	605,673	209,742	0	0	395,931
Total	29	10,096,011	3,423,504	207,050	5,524,472	940,985

CORPS OF ENGINEERS - CIVIL WORKS
PROJECTS IN FY 1984 BUDGET*

	No. of Proj.	Estimated Federal Cost ($000)	Allocations Thru FY 1983 ($000)	Budget FY 1984 ($000)	Balance to Complete	
					Scheduled ($000)	Unscheduled ($000)
1. CONSTRUCTION NOT STARTED:						
AE&D New Starts	2	64,400	0	500	1,400	62,500
Navigation	1	47,000	0	100	1,100	45,800
Multiple Purpose	1	17,400	0	400	300	16,700
Continuing AE&D	25	1,820,120	38,398	9,935	27,111	1,744,676
Navigation	5	233,270	3,363	510	7,517	221,880
Flood Control	20	1,586,850	35,035	9,425	19,594	1,522,796
Total	27	1,884,520	38,398	10,435	28,511	1,807,176
2. CONSTRUCTION PROJECTS:						
Construction New Starts	5	87,540	6,570	8,320	72,650	0
Navigation	1	1,190	585	500	105	0
Flood Control	4	86,350	5,985	7,820	72,545	0
Continuing Construction	121	19,005,452	11,161,720	876,612	4,470,940	2,496,180
Navigation	21	7,151,110	3,923,211	312,436	1,708,294	1,207,169
Beach Erosion Control	6	104,196	38,674	11,435	32,226	21,861
Flood Control	81	7,860,246	3,832,735	408,611	2,427,275	1,191,625
Multiple Purpose	13	3,889,900	3,367,100	144,130	303,145	75,525
Continuation of Engineering and Design	5	350,180	4,469	1,375	0	344,336
Reimbursements	3	26,400	11,620	7,330	1,574	5,876
Major Rehabilitation and Dam Safety Assurance	15	365,864	96,523	58,809	124,162	86,370
Total	149	19,835,436	11,280,902	952,446	4,669,326	2,932,762
GRAND TOTAL	176	21,719,956	11,319,300	962,881	4,697,837	4,739,938

* Does not include Mississippi River and Tributaries.

CORPS OF ENGINEERS - CIVIL WORKS
PROJECTS NOT IN FY 1984 BUDGET*

	No. of Proj.	Estimated Federal Cost ($000)	Allocations Thru FY 1983 ($000)	Budget FY 1984 ($000)	Balance to Complete Scheduled ($000)	Balance to Complete Unscheduled ($000)
1. CONSTRUCTION NOT STARTED:						
No AE&D Required	2	244,960	0	0	0	244,960
Navigation	1	2,960	0	0	0	2,960
Multiple Purpose	1	242,000	0	0	0	242,000
AE&D Fully Funded	39	1,599,767	43,898	0	0	1,555,869
Navigation	11	44,027	3,912	0	0	40,115
Beach Erosion Control	1	8,100	222	0	0	7,878
Flood Control	25	713,940	25,269	0	0	688,671
Multiple Purpose	2	833,700	14,495	0	0	819,205
Continuing AE&D	41	4,948,237	76,245	0	0	4,871,992
Navigation	12	2,671,537	28,723	0	0	2,642,814
Beach Erosion Control	2	10,510	882	0	0	9,628
Flood Control	26	1,984,190	45,830	0	0	1,938,360
Multiple Purpose	1	282,000	810	0	0	281,190
AE&D Not Started	38	1,003,802	0	0	0	1,003,802
Navigation	12	118,282	0	0	0	118,282
Beach Erosion Control	2	3,980	0	0	0	3,980
Flood Control	21	859,610	0	0	0	859,610
Multiple Purpose	3	21,930	0	0	0	21,930
Restudy Funds Only	1	552,000	70	0	0	551,930
Total	121	8,348,76[illegible]	120,213	0	0	8,228,553
2. CONSTRUCTION PROJECTS:						
Continuing Construction	70	4,671,885	2,339,046	0	0	2,332,839
Navigation	25	1,745,784	1,171,237	0	0	574,547
Beach Erosion Control	8	67,213	18,818	0	0	48,395
Flood Control	34	2,179,288	932,992	0	0	1,246,296
Multiple Purpose	3	679,600	215,999	0	0	463,601
Reimbursements	13	20,252	11,077	0	0	9,175
Total	83	4,692,137	2,350,123	0	0	2,342,014
GRAND TOTAL	204	13,040,903	2,470,336	0	0	10,570,567

* Does not include Mississippi River and Tributaries.

CORPS OF ENGINEERS - CIVIL WORKS
SUMMARY - ALL AUTHORIZED PROJECTS

	No. of Proj.	Estimated Federal Cost ($000)	Allocations Thru FY 1983 ($000)	Budget FY 1984 ($000)	Balance to Complete Scheduled ($000)	Balance to Complete Unscheduled ($000)
ACTIVE PROJECTS:						
Construction Not Started	148	10,233,286	158,611	10,435	28,511	10,035,729
Construction Projects	232	24,527,573	13,631,025	952,446	4,669,326	5,274,776
Total	380	34,760,859	13,789,636	962,881	4,697,837	15,310,505
DEFERRED PROJECTS	142	2,545,974	103,370	0	0	2,442,604
INACTIVE PROJECTS	385	5,451,298	184,181	0	0	5,267,117
MISSISSIPPI RIVER AND TRIBUTARIES:						
Active Projects	29	10,096,011	3,423,504	207,050	5,524,472	940,985
Deferred Projects	4	151,077	9,390	0	0	141,687
Inactive Projects	2	9,046	0	0	0	9,046

01/31/83
NEW A E & D PROJECTS IN FY 84 BUDGET
(THOUSANDS OF DOLLARS)

DIST	PROJECT	TOTAL EST. FEDERAL COST	ALLOC. TO DATE	APPROVED BUDGET	SCHEDULED BALANCE TO COMPLETE	UNSCHEDULED BALANCE TO COMPLETE
NAVIGATION						
SAJ	TAMPA HARBOR FLORIDA BRANCH CHANNELS, FL	47000	0	100	1100	45800
	SUB-TOTALS # OF PROJECTS	47000	0	100 (1)	1100	45800
MULTIPLE PURPOSE POWER						
SWF	TOWN BLUFF HYDROPOWER, TX	17400	0	400	300	16700
	SUB-TOTALS # OF PROJECTS	17400	0	400 (1)	300	16700
	GRAND TOTALS # OF PROJECTS	64400	0	500 (2)	1400	62500

PROGRAM CAPABILITIES

Senator ABDNOR. Please describe the actual fiscal year 1984 capability which the Corps possesses to undertake work beyond that specified in the budget.

Mr. GIANELLI. To be meaningful, a capability not only should be reflective of the preconstruction planning and engineering required prior to the construction of a project, but also the competition for available funds and manpower, Army-wide. This is the basis for the amounts proposed in the President's Budget for Army's fiscal year 1984 Civil Works Program and is consistent with the Administration's assessment of national priorities for Federal investments and the objective of avoiding larger budget deficits and more serious adverse effects that government borrowing can have on the national economy. Nevertheless, the list you have requested will be provided considering this project or study by itself without reference to the rest of the program. It also should be pointed out that while additional funds for some individual studies or projects could be utilized, as indicated in the list, offsetting reductions would be required in order to maintain the President's budgetary objectives.

[The list referred to has been retained in the committee files.]

CONSTRUCTION LEVEL IN FISCAL YEAR 1989

Senator ABDNOR. At what state, both in dollars and number of projects will we find the Corps construction program in fiscal year 1989?

Mr. GIANELLI. If there are no new starts over the next five years and current project completion schedules are maintained, the Corps construction program will consist of about 83 projects in the Construction, General and Mississippi River and Tributaries appropriations. Specific dollar amounts that would be required for such a program in fiscal year 1989 are not available, but we estimated that the total requirement would be about $800 million.

CARETAKER STATUS FOR NAVIGATION PROJECTS

Senator ABDNOR. Please explain the justification used for targeting the reduction of O&M activities at the seven navigation projects for fiscal year 1984.

Mr. GIANELLI. Navigation projects which carry little or no commercial tonnage were placed on the list for caretaker status. Of the 7 projects on the list, 5 are used strictly for recreation. The Savannah River below Augusta, Georgia, carries minimal commercial tonnage that results in a maintenance cost of around $29 per ton, and the small amount of tonnage carried on the Dismal Swamp unit of the Atlantic Intercoastal Waterway project in Virginia could be easily diverted on a bypass route.

CONGRESSIONAL INQUIRIES

Senator ABDNOR. Approximately how much money was spent by the Corps last year in responding to Congressional inquiries? Do large number of Congressional questions and inquiries divert personnel from other duties?

Mr. GIANELLI. The Corps does not maintain any records that provide such information. However, to get some idea of the magnitude of the cost involved, an informal survey was done of those 520 positions in the Office of the Chief of Engineers funded under the General Expense appropriation account of the Civil Works Program. Based on an estimate of manyears of effort spent in answering both written and verbal inquiries and an average annual effective salary rate, it was determined that some $774,000 in cost probably was expended in fiscal year 1982. This does not reflect any indirect costs that may have been expended by personnel in the field offices or by those in my own office in helping develop the answers to the Congressional inquiries. It also should be noted that the work level reflected in the $774,000 does not include, the manyears of effort required to answer Congressional inquiries relative to the Corps' budget submission and testimony.

There is no way to really assess or measure the extent to which the personnel involved are diverted from their basic duties of program management and direction. However, it is worth noting that the estimated expenditures for such work amounted to only 3.5 percent of the total salaries expended for those positions in fiscal year 1982.

MULTIPLE AUTHORIZATION ACTS

Senator ABDNOR. It has been suggested that Congress pass different authorization acts for different types of projects (a separate bill for hydroelectric projects, for example). What should be the Corps of Engineers' position on his approach to project authorization?

Mr. GIANELLI. At one time the Congress did pass different authorization acts, one for river and harbor type projects and another for projects for flood control and all other purposes. However, that was when there were many projects being recommended for construction and the investment for those projects had high Administration and Congressional priority. This is not the case now. The cost recovery issue being addressed in the proposed legislation for inland navigation and deep-draft navigation projects must be resolved first. Congressional acceptance of increased cost sharing and upfront financing for the other type of Corps projects also is needed. Therefore, I see no advantage to having separate authorization for different types of projects in the near future. Any single authorization of a large number of specific projects, regardless of how many types of projects it addresses, would be fruitless if the projects have little chance of being implemented. Such an approach results in wasted effort, causes undue expectations on the part of project supporters as well as opponents, and creates a cumbersome process of project deauthorization. The key point here is that any authorization should require reasonable and equitable non-Federal participation in project funding and should provide for the efficient implementation of feasible projects that are truly needed. In my opinion, this could be accomplished in a single authorization as easily as in multiple authorizations.

EMPLOYMENT RATES

Senator ABDNOR. Does the Corps of Engineers have any data which shows the number of persons employed per unit of money spent for particular types of water project construction; for example: dam construction, levee construction, dredging etc? If so, please provide us with this information.

Mr. GIANELLI. Sir, we do not have such figures; too many factors can affect the employment rate for those individual work features that make up a Corps project. This is why our "Rule of Thumb" for construction is useful only as an average for a large number of projects, not for any one individual project.

SKILL LEVEL

Senator ABDNOR. Do certain types of Corps construction work require more skilled labor than others? For example, does dam construction require relatively more skilled and/or specialized labor than, say, levee construction?

Mr. GIANELLI. Certainly, some types of Corps construction such as complicated concrete dams with powerhouses and locks require more skilled labor than levee construction. However, an earthfill dam structure would require approximately the same level of skilled labor as our more innovative concrete dam. Construction by the roller compacted method has materially lessened the requirement for large number of skilled labor in concrete placement.

STAFFING CUTS

Senator ABDNOR. To what degree will staffing cuts hamper the mission of the Corps?

Mr. GIANELLI. The Corps manpower ceiling of 30,564 workyears in fiscal year 1983 will be reduced to 28,935 workyears in fiscal year 1984. Most of this 1,629 workyear reduction can be accommodated by attrition, reduced workload, increased contracting of commercial activities, and reorganization efficiencies. Accordingly, the 1629 workyear reduction is not expected to impair execution of the Corps' mission.

NATIONAL WATERWAY STUDY

Senator ABDNOR. Mr. Gianelli, will you please be certain to submit to this committee the National Waterway Study at the same time you submit it to the Committee on Appropriations.

Mr. GIANELLI. I look forward to receiving a draft study from the Corps next month and plan to forward the study to Congress as soon as possible after my review and clearance by OMB.

PROJECT FUNDING UNDER TRADITIONAL AND PROPOSED COST SHARING

Senator ABDNOR. Let us assume that all projects currently under construction go forward as scheduled. Let us also assume that construction on all projects on tables I A–D and II A–B (attached) is begun as soon as each project is ready for construction. And let us further assume that all unauthorized projects that are close to being sent to Congress by the Administration (some 150) are authorized this year, and that construction on each is begun as soon as the necessary engineering is completed.

Using that base of assumptions, please answer the following questions (using constant dollars) with some reasonable estimates for each of the fiscal years 1984 through 1988:

(1) How many projects would be under construction?

(2) What would be the construction budget under traditional cost-sharing?

(3) What would be the Federal construction budget using the cost-sharing formulas developed by you, Mr. Gianelli?

Mr. GIANELLI. At this time, the requested information is not available. It will be forwarded upon completion.

TABLE I

PRE-CONSTRUCTION PLANNING IS COMPLETE

TABLE I-A: FY 1983 NEW CONSTRUCTION STARTS

Freeport Harbor, TX (North Jetty)
Strube Lake, OR
Bonneville Fishway, OR & WA
Davenport, IA
Merced, CA
Kahoma Streams, HI
Virginia Beach, VA
Randleman Lake, NC

TABLE I-B: FY 1984 NEW CONSTRUCTION STARTS

Bodega Bay, CA
Fairfield County Streams, CA
San Luis Rey, CA
Bassett Creek, MN
Ellicott Creek, NY

TABLE I-C: ENGINEERINGLY ACTIVE PROJECTS

Kake Harbor, AK
Jonesport Harbor, ME
Baltimore Harbor, MD & VA
Ponce Harbor, PR
Freeport Harbor, TX (Deepening)

TABLE I-D: PROJECTS REVIEWED BUT NOT PROPOSED FOR CONSTRUCTION

Kehoe Lake, KY
Martin, KY
Falls of the Ohio National Wildlife Conservation Area, IN & KY
Arkansas-Red Basins Chloride Control, OK, TX & KS
Big and Little Sallisaw Creek, OK
Shidler Lake, OK 1/
Big Pine Lake, TX
Lake Brownwood Modification, TX 2/
Navarro Mills Lake, TX (Road Relocation) 3/
Mouth of Colorado River, TX
Liberty State Park, Levee and Seawall, NJ
Ardsley, NY (Sec. 201)

TABLE I-D (Cont'd)

Richmond Filtration Plant, VA
Little Dell Lake, UT
Fort Fisher and Vicinity , NC (Sec 201)
Snettisham, AK
Elk Creek Lake, OR
Greenville Harbor, MS
Twin Valley Lake, Wild Rice River, MN
Savanna Small Boat Harbor, IL
Cedar River Harbor, MI
Beaver Bay Harbor, MN
Knife River Harbor, MN
Lutsen Harbor, MN
Port Ontario Harbor, NY
Dansville, NY

1/ Additional legislation would be required for acquisition of mineral rights owned by Osage Indians.

2/ Local interests are building project. Recommended for deauthorization.

3/ Local interests want to add bridges to the project which will increase the cost estimate. Recommended for reclassification.

TABLE II-A

NO MORE THAN 18 MONTHS OF ADDITIONAL PRE-CONSTRUCTION PLANNING IS REQUIRED

Frankfort, KY (South Frankfort)
Santa Fe River and Arroyo Mascaras, NM
Clear Creek, TX
Neches River and Tribs Saltwater Barrier, TX
Pine Mountain Lake, AR
Eldred and Spankey D&LD, IL
Nutwood D&LD, IL
West Agurs Levee, LA
Hartwell D&LD, IL
Springfield Water Intake, SD
Missouri River National Recreational River, NE & SD
Tamaqua, PA
Delaware River in Vicinity of Camden, NJ
Kawaihae Small Boat Harbor, HI
Kikiaola Small Boat Harbor, HI
Maalaea Small Boat Harbor, HI
Pajaro River (Carnadero Creek), CA
Montgomery to Gadsden, AL
Moline, IL (Sec. 201)
Rochester, MN
Red Run Drain, Lower Clinton River, MI

TABLE II-B

AT LEAST 18 MONTHS BUT LESS THAN 3 YEARS OF ADDITIONAL PRE-CONSTRUCTION PLANNING IS REQUIRED

Town Bluff Hydropower, TX
Great Bend, KS
White River Fish Hatchery, AR 1/
Hillview D&LD, IL
Meredosia, Willow Creek and Coon Run D&LD, IL
Meredosia Lake and Willow Creek D&LD, IL
Union Lake, MO
Meramec River Basin, MO
Melvern and Pomona Lakes Road Improvement, KS 2/
Tuttle Creek Lake and Bridge, KS 3/
Francis E. Walter Dam, PA (Modification)
Delaware River, Philadelphia to Trenton, NY (Sec. 201)
Moriches Inlet, NY
Hay Creek, Birdsboro, PA (Sec. 201)
North Nashua River Flood Control Project, MA
Bristol Harbor, RI
Lincoln School Lake, ME

TABLE II-B (Cont'd)

Kaunakakai Harbor, HI
Cottonwood Creek, CA
Noyo River and Harbor (Channel Extension), CA
Tampa Harbor Branch Channels, FL
Manatee County, FL (Sec. 201)
Mississippi Delta Region, LA
Bushley Bayou, LA
East Rapides - South Central Avoyelles Parish, LA
Guidewall Extension, Lock No. 3, MN
Chaska, MN
State Road and Ebner Coulees, WI
Green Bay Harbor, WI

1/ Lack of local support. Recommended for reclassification.

2/ Local interests are required to pay a minimum of 30 percent of the project cost. The amount may be greater since the Federal Government's cost is limited to 70 percent or $500,000, whichever is less. There is no local interest at this time.

3/ Initiation of construction depends on local cost sharing agreements. Local interests are required to pay all project costs in excess of $630,000. There is no local interest at this time.

RESPONSE TO A QUESTION FROM SENATOR RANDOLPH

FUTURE OF CONSTRUCTION PROGRAM

Senator **RANDOLPH**. Given the declining number of construction starts and the apparent unwillingness of some Committees to approve construction under your innovative financing techniques, what do you see as the future of the Corps of Engineers' construction program?

Mr. **GIANELLI**. The system as we knew it at one time simply is not working. We have not been able to move ahead with authorization and funding of new construction starts. My effort has been to try to break the logjam and figure out a way to get the system working again. The Committees understand that my objective is to move sound water projects to construction during this period of extreme budget stringency. We are hopeful that once the cost sharing and upfront financing issues are resolved, the Congress will authorize the construction and appropriate the Federal share of projects currently being studied under our preconstruction planning and engineering program.

RESPONSES TO QUESTIONS FROM SENATOR DOMENICI

COST SHARING STUDIES AND DESIGN

Senator **DOMENICI**. Could you describe for us some of your proposals on cost sharing in relation to studies and design work?

Mr. **GIANELLI**. Beginning in fiscal year 1983, all new preauthorization studies of specific projects, whether proposed as interim studies or as in full response to a study resolution, will be undertaken in two phases, namely, a reconnaissance phase and a feasibility phase. The first phase will be financed 100 percent with Federal funds and normally will be completed within a year but may, in demonstrated unusual circumstances, extend to a maximum of 18 months. The second phase will be cost shared 50/50 with local projects sponsors. Not more than one-half of the non-Federal share may be in-kind. I believe that with this process we will avoid wasting Federal funds on studies which do not lead to project implementation and that Federal projects are fully responsive to local concerns.

NATIONAL WATERWAYS STUDY

Senator **DOMENICI**. In constant dollars, what are the estimated annual needs for construction and rehabilitation on our inland waterway system over the next 20 years according to the National Waterways Study? Is it not accurate that this need is at least twice what we are now spending ($330 million in fiscal year 1984)? Given the state of the economy and the Budget, is it likely the Federal Government will not be able to finance this kind of increase, and that our choice will simply be this: Do not do the work, or finance it with user charges?

Mr. **GIANELLI**. The Corps has not yet transmitted to me its draft of the National Waterways Study. I expect to begin my review of it about the middle of March. In any case, the annual future expenditures necessary to provide a modern and efficient waterway system cannot be realistically addressed without resolution of the user charge issue. The level and form of future user charges will effect the volume of future waterway traffic and, thus, the need for and timing of future improvements, as well as the funds available to pay for future work.

UP-FRONT FINANCING

Senator **DOMENICI**. In relation to deep-draft port construction, do you believe that some percentage of upfront non-Federal financing is absolutely essential to a workable approach, and that the higher the percentage, the greater the likelihood that the nation will focus its spending only on projects that are truly needed?

Mr. **GIANELLI**. I believe that upfront non-federal financing is essential in the case of deep-draft port construction. Federal funds are simply not available to finance substantial new work according to historic financing formulas. While there is no question but that a non-Federal financing requirement does serve as an effective device for screening out the best projects, I do not believe that that requirement need be 100 percent non-Federal financing. Indeed, I believe that effective screening of projects can be accomplished with a non-Federal contribution substantially less than 100 percent.

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

February 25, 1983

Honorable Robert T. Stafford
Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Honorable Jennings Randolph
Ranking Minority Member
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman and Senator Randolph:

Thank you for providing me with the opportunity to submit my views to you regarding our FY 1984 appropriations request. I have already provided our budget estimate and my statement to the House Subcommittee on Appropriations for HUD and Independent Agencies and I am enclosing additional copies with this response.

Further information in response to your questions is provided below.

A to Q 1: A detailed discussion of our budget request for FY 1984, as well as comparisons with FY 1982 and FY 1983, is contained in the enclosed budget estimate. The budget request reflects a slight reduction ($13,000 and 2 work years) from the FY 1983 appropriation.

A to Q 2: The major increase in program funding ($86,000) is under Special Projects, reflecting our increased emphasis on acid precipitation. The increase will provide for additional resources to work on this issue. The increase will also help to fund preparation and publication of several studies. We anticipate studies on Emissions Trading, Economic Analysis of Acid Rain, and a study on the Effect of Environmental Regulation on Employment and Income.

There will also be slight increases in funding for Presidential advisory responsibilities (an increase of $16,000) and for oversight responsibilities for the National Environmental Policy act ($28,000). These differences are due to salary and expense increases.

The FY 1984 budget estimate reflects a decrease of $143,000 in the environmental monitoring area. The decreases reflect an increased use of other agency resources, including non-reimbursable detailees. The Council also utilizes the services of contractors for work on specific, specialized projects.

A to Q 3: We currently have one unfilled position which will not be filled in 1983. Our personnel will be further reduced for FY 1984 by a decrease from two to one administrative officers. This decrease will not have an adverse effect on our ability to implement our program responsibilities.

A to Q 4: No recissions, deferrals or supplementals are being requested.

A to Q 5: No legislative initiatives are necessary, or are being considered, to implement any part of the agency's FY 1984 budget request.

I hope this information is helpful to you.

Sincerely yours,

A. Alan Hill

A. Alan Hill
Chairman

Enclosures

STATEMENT OF A. ALAN HILL
CHAIRMAN, COUNCIL ON ENVIRONMENTAL QUALITY
BEFORE THE
SUBCOMMITTEE ON APPROPRIATIONS FOR HUD & INDEPENDENT AGENCIES
HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS
MARCH 3, 1983

Mr. Chairman and Members of the Subcommittee:

I am very pleased to appear before you today to discuss the 1984 appropriations request for the Council on Environmental Quality. I would like to introduce to you the other Members of the Council - Ernie Minor and Nancy Maloley, our General Counsel - Dinah Bear, and our Administrative Officer - Thomas J. Delaney. They are available with me in responding to any of your questions.

The President's appropriations request for the Council for FY 1984 is $913,000, which is a very slight reduction from our request for FY 1983. I am confident that the Council can continue to perform its major responsibilities and to contribute to a better understanding of our environment with this level of funding. I know that last year Members of the Committee had some criticisms of our narrative justification. I hope that you will find this year's documentation to be a more careful explanation of our plans, and more helpful in assisting you to understand the current role of the Council.

The Council continues to fulfill its mandatory responsibilities such as oversight of the National Environmental Policy Act and preparation of the Annual Report to the President. In addition the Council is providing important analysis and recommendations concerning environmental topics of interest to both our country and all people concerned with the state of the global environment.

One of our most important responsibilities is oversight of the National Environmental Policy Act. In this regard, the Council serves to provide advice and offer solutions to problems involving NEPA which are brought to our attention by Federal agencies, state and local governments, and private citizens who become involved in the process.

The Council issued regulations to implement NEPA in 1979. Before I became Chairman of the Council, I felt it was important to determine how well the regulations were working. Thus, upon becoming Chairman, I initiated a review of the regulations. This review has resulted in our identification of several areas which appear to require clarification or interpretation. We plan to provide such guidance soon in the form of a Memorandum To the Heads of Agencies. This guidance will not amend the regulations, but we hope it will resolve confusion about certain sections of the NEPA regulations.

Our 1982 Annual Report is in final draft form and will be submitted to the printer as soon as review is completed. This year's Report informs the American public regarding the current status of the American environment and the accomplishments to date. It will include chapters on Natural Resources, Environmental Conditions and Trends, Water Quality, the Toxic Substances Control Act, the National Environmental Policy Act, the Status of Major

Environmental Control Programs, Acid Rain, Economics, and Global Environmental Issues. We will begin work on the 1983 Annual Report on July 1st.

In my primary role as an environmental advisor to the President, I am a member of the Cabinet Council for Natural Resources and the Environment. The Cabinet Council will continue to examine and make recommendations to the President regarding major policy issues which involve environmental issues.

The Global Issues Work Group, which I established in 1982 under the auspices of the Cabinet Council, has recently completed its survey of executive agencies regarding their data gathering and predictive or other modelling capabilities. We are now in the process of analyzing the results so we can recommend future actions to the Cabinet Council and the President to improve the collection and use of data within the government.

Recently the Council has been directed to provide overall policy coordination on acid precipitation for the Administration and to directly manage and supervise the activities of the Acid Precipitation Task Force and its staff. In this regard, we intend to examine the management and distribution of the work which is currently underway to ensure the existing priorities established for that research effort will be made in a timely and useful form for decisionmakers. We also plan to coordinate those research efforts more closely with the needs of the State Department which is involved in negotiations with Canada regarding the long range transport of air pollutants. Further, we plan to better communicate to the Congress and the public the scientific works from our research.

As you may have already noted from our budget estimate, the Council also anticipates completion and publication in FY 1984 of several studies which we believe will add to our understanding of the relationship between the economy and the environment. These studies include economic analysis of the acid precipitation control strategies, and the effect of environmental regulation on employment and income.

I would like to take this opportunity to summarize for you how the Council plans to carry out these functions in 1984. I have expanded the scope of responsibility and involvement of each Member in all aspects of the Council's program functions. For example, Member Minor has assumed direct responsibility for preparation and publication of the Annual Report and Member Maloley has responsibility for developing guidance on the acid precipitation issue. In addition, the Council will achieve these goals in 1984 through a variety of mechanisms including direct Member and staff analysis, the use of private contractors with extramural funds, and the use of nonreimbursable detailees from agencies with expertise in areas under study. Funds are supplemented by other agencies through CEQ's working fund. In the past, this fund has combined the resources of other agencies to enable us to work on such issues as acid precipitation, Chemical Substances Information Network, and global environmental issues.

This concludes my brief summary. I would be pleased to entertain any questions which you might have regarding the Council and our work plan for 1984.

COUNCIL ON ENVIRONMENTAL QUALITY
AND
OFFICE OF ENVIRONMENTAL QUALITY
1984 BUDGET ESTIMATE

AUTHORIZATION

Public Law 91-190 of January 1, 1970 established the Council on Environmental Quality and Public Law 91-224 of April 3, 1970 established the Office of Environmental Quality.

BUDGET SUMMARY

The President's request for the Council on Environmental Quality's FY 1984 budget totals nine hundred and thirteen thousand dollars ($913,000), supported by thirteen work years. The request is a slight reduction ($13,000 and 2 work years) from the 1983 appropriation. Major emphasis continues to be on Presidential advisory responsibilities, oversight of the National Environmental Policy Act and administration of the implementing regulations, environmental monitoring and data, including production of the Annual Report to the President and the Congress, and special projects. The President's request provides the Council with the funds necessary to carry out the Council's responsibilities. The Council expects to meet all our obligations in FY 1984 by exercising careful management and utilizing, to the fullest extent possible, the services, facilities and information of public and private agencies and organizations.

The Council spends approximately 75 percent of its funds on salary and benefit costs. Of the balance of funding requested, 14 percent is for Standard Level Users Charge (office rental) and 11 percent is expended on such items as travel, phones, printing and supplies. The Council also utilizes nonreimbursable detailees from other agencies and contractors to accomplish specialized tasks.

For your further review, a tabular presentation of our anticipated costs is included.

OVERVIEW OF COUNCIL ON ENVIRONMENTAL QUALITY, OFFICE OF ENVIRONMENTAL QUALITY

The Council on Environmental Quality was created in 1970 by the National Environmental Policy Act (NEPA) to advise the President, other members of the government, and the public on environmental matters and to ensure that Federal agency decision-makers give full consideration to environmental factors. The Council was placed in the Executive Office of the President to guarantee direct access to the President and his staff and to maintain independence from mission-oriented line agencies. Title II of NEPA assigns certain specific duties to the Council. Those include: providing advice to the President, overseeing agency implementation of NEPA including its environmental impact statement requirements, developing and improving environmental data and monitoring capabilities, and assisting and advising the President in the preparation of the Annual Environmental Quality Report to the Congress.

In 1977, the Council was directed by Executive Order 11991 to promulgate regulations applicable to Federal agencies concerning implementation of the procedural provisions of NEPA. The purpose of the regulations was to make the environmental impact statement process mandated by NEPA a more useful tool for agency decision-makers, and those regulations went into effect on July 30, 1979. The Executive Order also directed the Council to issue procedures under Section 309 of the Clean Air Act which established the Council as a mediator for environmental disputes among agencies.

The Environmental Improvement Act of 1970 established the Office of Environmental Quality to provide staff and support services for the Council. The Chairman of CEQ is designated as the Director of the Office of Environmental Quality, and directs the legal, programmatic, and administrative activities of that office.

ANALYSIS OF AUTHORIZED LEVEL FOR FISCAL YEAR 1984

(Dollars in thousands)

	Permanent Positions	Total Work Years	Amount
FY 1983 Budget Authority (P.L. 97-272)	15	15	$926
FY 1984 Budget Authority Estimates	13	13	913
TOTAL BUDGET AUTHORITY CHANGE, FY 1983 to FY 1984	-2	-2	$-13

RESOURCES AND PROGRAM SUMMARY

(Dollars in thousands)

	FY 1982 Actual	FY 1983 Estimate	FY 1984 Estimate
Obligations	$2,647 *	$ 926	$ 913
Average Employment	15	15	13
Permanent Positions	15	15	13

EXPLANATION: Provides for analysis of important environmental conditions and trends; review and appraisal of Federal Government programs impacting upon the environment; recommending policies for protecting and improving the quality of the environment; assisting in coordinating Federal environmental programs involving more than one agency; assisting in preparation of the President's Annual Report to the Congress; and undertaking special studies and analyses relating to environmental issues.

* The Fiscal Year 1982 obligations of $2,647,000. - include both the Direct Program, $930,000, - and the Consolidated Working Fund, $1,717,000. - . Fiscal Years 1983 and 1984 do not include any projection for the Consolidated Working Fund.

EXPLANATION OF DISTRIBUTION BY OBJECTS FY 1984

11 Personnel Compensation and Staffing -- $622,000. For 13 work-years distributed as follows:

	FY 1982	FY 1983	FY 1984
Total Work-years	15	15	13

12 Personnel Benefits -- $65,000. Includes $44,000 for direct contribution to Retirement Fund; $15,000 for health and life insurance, and $6,000 for the medicare portion of FICA.

21 Travel and Transportation of Persons -- $26,000. Includes $26,000 for Member and staff travel.

23 Rents, Communications, and Utilities -- $163,000. Includes $3,000 for postage and fees, $30,000 for communication services, $2,000 for equipment rental, and $128,000 for standard level user charges paid to the Federal Buildings Fund (GSA).

24 Printing and Reproduction -- $20,000. Includes $17,000 for the Annual Report to the Congress, and $3,000 for general printing.

25 Other Services -- $15,000. For payments to commercial contractors.

26 Supplies and Materials -- $2,000. For office supplies and publications.

PERMANENT POSITIONS - FY 1984

Employment Category	Number
Chairman	1
Council Members	2
Substantive Staff Members	6
Administrative	1
Clerical	3
TOTAL PERMANENT POSITIONS	13

RESOURCE COMMITMENT

by dollars (in thousands) and workyears

		FY 82 Actual	FY 83 Estimate	FY 84 Estimate
PRESIDENTIAL ADVISOR	Dollars	$ 124	$ 124	$ 140
	Workyears	2.0	2.0	2.0
NEPA	Dollars	$ 217	$ 217	$ 245
	Workyears	3.5	3.5	3.5
ENVIRONMENTAL DATA AND MONITORING	Dollars	$ 465	$ 461	$ 318
	Workyears	7.5	7.5	4.5
SPECIAL PROJECTS	Dollars	$ 124	$ 124	$ 210
	Workyears	2.0	2.0	3.0
TOTAL	Dollars	$ 930	$ 926	$ 913
	Workyears	15.0	15.0	13.0

COUNCIL ON ENVIRONMENTAL QUALITY
AND OFFICE OF ENVIRONMENTAL QUALITY

For necessary expenses of the Council on Environmental Quality and the Office of Environmental Quality, in carrying out their functions under the National Environmental Policy Act of 1969 (Public Law 91-190), the Environmental Policy Act of 1970 (Public Law 91-224), and Reorganization Plan No. 1 of 1977, including not to exceed $500 for official reception and representation expenses, and hire of passenger motor vehicles, $913,000.

Council on Environmental Quality and Office of Environmental Quality

Program and Financing (in thousands of dollars)

	1982 actual	1983 est	1984 est
Program by activities:			
Direct Program:			
Environmental policy development and program evaluation.......	$ 930	$926	$913
Environmental policy studies.......	1,717	....	....
Total obligations............	$2,647	$ 926	$913
Financing:			
Offsetting collections from: Federal funds...................	$-1,717	....	....
Unobligated balance lapsing........	6	....	....
Budget authority (appropriation)	$ 936	$ 926	$913
Relation of obligations to outlays:			
Obligations incurred, net..........	$ 930	$ 926	$913
Obligated balance, start of year...	2,035	1,032	46
Obligated balance, end of year.....	-1,032	-46	-44
Adjustments in expired accounts....	24	....	....
Outlays......................	$1,957	$1,912	$915

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Object Classification (in thousands of dollars)

	1982 Actual	1983 Estimated	1984 Estimated
Direct obligations:			
Personnel compensation: Full-time permanent	$ 574	$ 646	$ 622
Personnel benefits: Civilian	51	57	65
Benefits for former personnel	47	....	....
Travel and transportation of persons	13	23	26
Standard level user charges	112	112	128
Communications, utilities, and other rent	55	35	35
Printing and reproduction	31	28	20
Other services	34	23	15
Supplies and materials	12	2	2
Equipment	1	....	....
Subtotal, direct obligations	$ 930	$ 926	$ 913
Reimbursable obligations:			
Other services	$ 1,717	....	....
Total Obligations	$ 2,647	$ 926	$ 913

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Personnel Summary

	1982 Actual	1983 Estimated	1984 Estimated
Total number of full-time permanent positions	15	15	13
Total compensable workyears:			
Full-time equivelant employment ..	15	15	13
Full-time overtime and holiday hours	--	--	--
Average GS grade	12.43	12.83	12.83
Average GS salary	$35,069	$38.621	$39,258
Average salary of ungraded positions	$43,875	$41,990	$41,990

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONEMNTAL QUALITY

Salaries and Expenses

	1982 Actual	1983 Estimated	1984 Estimated
Executive level II	1	1	1
Executive level IV	2	2	2
Subtotal	3	3	3
GS/GM -15	1	1	1
GS/GM -14	2	2	2
GS/GM - 13	1	2	1
GS/GM - 12	--	2	1
GS - 11	1	--	--
GS - 10	1	--	--
GS - 9	1	1	1
Subtotal	7	8	6
Ungraded	5	4	4
Total permanent positions	15	15	13
Unfilled positions, end of year	--	--	--
Total Permanenet employment, end of year	15	15	13

PROGRAM RESPONSIBILITIES

The following briefly describes the content of each activity, and the changes requested within each activity from the agency's current FY 1983 estimate.

Presidential Advisor

In FY 1984, the Council proposes to allocate a total of $140,000 and two work years to this responsibility. In FY 1982 and FY 1983, $124,000 and two work years were allocated to this area. The increase in dollar resources for FY 1984 represents salary and expenses increases. Due to the personal advisory aspects which are inherent in this responsibility, it is not possible to quantify the area into programs on an annual basis.

The Chairman of the Council assists and advises the President on policies and programs of the Federal Government which affect environmental quality. In this capacity, the Chairman serves as a Member of the Cabinet Council for Natural Resources and Environment.

To assist in the development of policy recommendations on global environmental issues, the Chairman has formed an interagency Global Issues Work Group. This Group, established in 1982, is assessing the capability of Federal agencies to gather and assess environmental data. This information will be used in FY 1984 to assist the Cabinet Council on Natural Resources and Environment in the development of administration policy for determining where government action is warranted and what type of action will best meet the environmental goals.

Further, the Chairman of the Council provides Presidential representation on communicating administration positions on environmental matters to public and private organizations. He communicates concerns expressed by private citizens, organizations, and state and local governments to the White House. He also represents the President at formal national and international meetings concerned with environmental affairs.

The National Environmental Policy Act

The National Environmental Policy Act (NEPA) requires all Federal agency decision-makers to consider the environmental impacts of proposals for major Federal actions which will significantly affect the quality of the human environment, prior to final decision and implementation of the proposal. Executive Order 11514 directed the Council to issue regulations to Federal agencies for implementation of the procedural aspects of NEPA, commonly referred to as the EIS process. The regulations, effective in 1979, require all agencies to establish procedures to insure each agency's compliance with NEPA while meeting that agency's particular mission.

The Council receives inquiries from agencies, private applicants, state and local governments, and other interested parties requesting information regarding NEPA and the CEQ regulations. Frequently, CEQ is asked for guidance or advice on particular problems involving the environmental impact statement process. On occasion, the Council is called upon to formally mediate interagency disputes over environmental issues.

The Council reviews all agency NEPA procedures, and advises on their implementation and amendment. The Council also maintains contact with environmental review officials in Federal agencies.

The Council comments on legislation which would affect implementation of NEPA.

The Council also monitors litigation in the Federal courts which involves NEPA. In this regard, the Council compiles an annual survey of NEPA litigation, which is published in the Annual Report. Additionally, the Council is asked for advice regarding the government's litigation strategy for certain significant NEPA cases.

The Council also acquires information concerning environmental assessment procedures abroad and assists other countries in learning about and developing environmental assessment procedures.

1984 Program

The Council proposes to allocate a total of $245,000 and 3.5 work years for this activity for 1984. This represents an increase of $28,000 from the amount we are allocating for this activity in FY 1983. The increase is due to salary and expense increases.

During FY 1984, the Council plans to determine and then implement ways in which the EIS process can be accomplished more efficiently, without a reduction in protection of environmental values. We will examine suggestions for better management of the NEPA process through coordinated efforts by Federal, State and local agencies. We will also be looking at the EIS process from the viewpoint of an applicant for a Federal permit or license.

The Council will continue to review agency NEPA procedures and to advise on amendments to procedures in such areas as categorical exclusions and adoption of another agency's NEPA documents.

We plan to hold a meeting for directors of environmental review offices of the Federal agencies and departments to discuss issues of concern to those persons who oversee implementation of NEPA in the agencies. We also hope to increase our contact with the various regional environmental offices for input from those persons who work with the NEPA procedures on a daily basis.

We will continue to comment on legislation which relates to NEPA and to anticipate possible problems which proposals for NEPA exemptions or deviations might create.

We will continue our survey of NEPA litigation to determine if there are any significant changes in trends which could be affected in a positive manner by the Council.

We will also continue helping other countries who seek information and advice on the environmental review process, and we hope to initiate an organized survey of other nations' environmental assessment processes.

1983 Program

The Council is allocating a total of $217,000 and 3.5 work years to this activity. These figures reflect a resource allocation which is the same as the Council's FY 1982 allocation for this activity.

Currently, the Council is developing guidance concerning certain specific aspects of the NEPA process, based upon our review conducted during 1982. This guidance is being formulated as a Memorandum to the Heads of Agencies from the Council, and is intended to clarify or interpret portions of the regulations which have generated confusion and inefficiency. The Council plans to publish an updated (a) report regarding the status of all Federal agencies' NEPA procedures; (b) a list of agencies which become involved in the EIS process by virtue of special expertise or jurisdiction by law; and, (c) a list of offices and individuals to contact regarding specific subjects within the different agencies.

The Council will continue our oversight of NEPA implementation in the Federal agencies, and respond to specific problems of coordination and cooperation. For example, we have been asked to help implement a unified NEPA procedure for the Department of

Housing and Urban Development, the Veterans Administration and the Federal Highway Administration, for dealing with loan and loan guarantee applications. We have also been asked to help develop and implement NEPA procedures for the Department of Energy and other agencies which will be involved in the disposal of nuclear wastes.

The Council will be studying the decision which is expected to be issued by the Supreme Court in FY 1983 in the case of People Against Nuclear Energy v. The Nuclear Regulatory Commission (the Three Mile Island "psychological impacts" case) to determine whether amendments to the statute or our regulations are advisable. We are also studying other judicial decisions involving significant NEPA issues and making recommendations, as asked, as to whether certain decisions should be appealed to a high court. We will also again be collecting data for our annual NEPA litigation survey which will be published in the 1983 Annual Report.

The Council currently has a referral submitted to us for formal mediation, regarding the FAA's proposal to open an international airport in Palmdale, California.

1982 Accomplishments

The Council allocated $217,000 and 3.5 work years to this activity.

The Council conducted a review of what difficulties, if any, were caused by the NEPA regulations and agency EIS procedures. The Council solicited suggestions and comments from all interested parties on how efficiently the various agencies were implementing the CEQ regulations. After analyzing those comments, the Council summarized them in a document which we made available to the public.

The Council also held a public meeting to receive further input regarding NEPA issues.

The Council reviewed amendments to NEPA procedures for thirteen agencies. We also published a study of the environmental review offices in nineteen agencies. This study examined the way in which environmental offices are organized, how employees are trained, and other devices used by the agencies to carry out their NEPA responsibilities. The results have given us a clearer idea of what situations have generated problems, and what techniques have proven effective.

The Council compiled information regarding NEPA litigation in FY 1981, which was published in the 1982 Annual Report. We also responded to queries for advice or comment on NEPA litigation.

The Council handled one formal referral from the Department of the Interior regarding the Corps of Engineers' proposals for the Dickey-Lincoln School Lakes Dam in Maine.

Environmental Monitoring

The Environmental Quality Improvement Act provides that the Office of Environmental Quality is authorized to review the adequacy of existing systems for monitoring and predicting environmental changes to achieve effective coverage and efficient use of research facilities and other resources.

A major activity of the Council's which involves environmental monitoring and data is the production of the Annual Report. The Council is required by the National Environmental Policy Act to report to the President and the Congress on the status of the environment and to recommend policies and programs that will preserve or improve the quality of the environment. Such recommendations concern not only the national environment, but also those aspects of the global environment which can have an influence on our national interests. The preparation of this report involves collection, collation, integration and interpretation of the environmental data generated within or for other Federal agencies.

In addition, the Council is intermittently involved in Executive Office oversight reviews and studies of the environmental monitoring program of the various agencies for the purpose of assuring adequacy of environmental data.

1984 Program

The Council proposes to allocate a total of $318,000 and 4.5 work years for this activity. This represents a decrease of $143,000 and 3 work years from our resource allocation for 1983. The decrease in work years and dollar resources in this area reflects an increased participation of other agency resources in the development of the Annual Report as well as the assistance of the private sector through the utilization of private contractors with specialized skills in specific areas.

In FY 1984, the Council intends to complete work on the Chemical Substances Information Network (CSIN). This demonstration program is a comprehensive information resource regarding all chemical substances and their properties. It is essentially a mechanism which is capable of providing access to and coordinating the use of autonomous and independently owned and operated data banks, reference materials, and libraries. It is designed to serve the needs of administrators, engineers and scientists with responsibilities for the development, production, use and regulation of chemical substances. After completion of the work in FY 1984, it is anticipated that the technology will be transferred to the private sector. The development and transfer of this technology will increase the ability of government, industry, and the academic world to share data, improve the quality of information, and increase the productivity of professional staffs.

During FY 1984, the Council plans to begin work on updating a major report published in 1981 entitled Environmental Trends. The Council had the central coordinating role in producing this publication in its initial development and co-sponsored its publication in 1981. We anticipate updating and republishing the report at five-year intervals, a statistically meaningful time for trends to develop.

The 1983 Annual Report will be published in the Spring of 1984. One Member of the Council is responsible for supervising the preparation of the Report.

1983 Program

The Council is allocating a total of $461,000 and 7.5 work years for this activity. This represents a decrease of $4,000 and a stable number of work years from FY 1982. This slight decrease is due to increased use of resources from other agencies.

The Council is undertaking the completion of a pilot program begun in response to the requirements of the Toxic Substances Control Act. This project, the Chemical Substances Information Network (CSIN), is explained in brief in the preceding section (1984 Program).

To complete the work of the project, three tasks remain: 1) the operation and maintenance of CSIN hardware and software development necessary to support the current user base, 2) the addition of certain features identified by users as necessary to increase the efficiency and usefulness of the system, and 3) the expansion of services to accommodate a growing array of diverse users representing both the public and private sectors.

The 1982 Annual Report will be published in April, 1983. Five thousand copies will be printed by the Council and additional copies will be printed by the Government Printing Office. The Report will encompass the overall state of the environment, and will include a special explanation and analysis regarding air quality. An update of much of the information contained in Environmental Trends is also being collected and will be incorporated into the Annual Report.

In an additional project, the Council is examining ways in which actual population exposure to air pollutants may be more effectively identified for use as an administrative tool in establishing priorities for action and public expenditues in air pollution abatement.

1982 Accomplishments

The Council allocated $465,000 and 7.5 works years to this activity in FY 1982.

The 1981 Annual report was published in July, 1982. Five thousand copies of the Report were printed and distributed to Members of Congress, federal and state agencies, and interested citizens. The Government Printing Office printed an additional 8,500 copies.

The Council began collecting and summarizing data from the U.S. Department of Agriculture and the Food and Drug Administration to follow possible bioaccumulation of toxic materials in humans and domestic animals.

The Council began co-sponsoring a study of how and with what accuracy the major U.S. urban centers are utilizing and reporting the Pollution Standard Index for Air Pollution as a public alert system regarding pollution episodes.

SPECIAL PROJECTS

The Council is involved in two special projects in addition to the regular program areas and responsibilities described heretofore. The first special focus is on acid "rain" or precipitation, which has become one of the major environmental issues facing our nation and is a matter of international concern. The second area involves a series of studies to better analyze the cost/benefit relationship associated with environmental issues, including an air quality management primer, an emission trading study, Clean Air Act legislation and economic analysis, cost/benefit analysis of acid precipitation mitigation measures, and analysis of the effect of environmental regulation on employment and income.

1984 Program

The Council proposes to allocate $210,000 and 3 work years for these activities. This represents an increase of $86,000 and 1 staff year from 1983 allocations, reflecting an increased program emphasis on acid precipitation.

The Council will continue to serve as the Executive Secretary of the Interagency Acid Precipitation Task Force. The Task Force, which was established by the Acid Precipitation Act of 1980, is housed at the Council. It directs the research program on acid precipitation and conducts various activities with federal research programs and the private and local government institutions.

In its role as Executive Secretary, the Council has been instructed by the White House to carry out the following responsibilities:

-- to directly manage and supervise the activities of the Task Force and its staff;

-- to provide overall policy coordination on this issue for the Administration.

The Council will continue to review the activities of the working groups responsible for developing the Administration's position on the Transboundary Agreement negotiations with Canada.

The Council also anticipates completion and publication of the following studies:

Emission Trading Study. This study will develop and expand basic concepts in the use of market-based approaches in environmental quality management. The study will indicate how the recent EPA air quality management reforms may be applied in the area of water and solid waste management. It will build upon work undertaken by the National Science Foundation, General Accounting Office, and the Council of Economic Advisors.

Clean Air Act Legislation and Economic Analysis. The Council's study and assessment of Clean Air Act legislation from an economics point of view will be part of an ongoing project to assess the costs and benefits of the Clean Air Act. The study will extend basic knowledge on the estimation of costs and benefits.

Economic Analysis of Acid Rain. The Council's assessment of acid rain mitigation measures and their costs and benefits is an important area for FY 1983 and 1984. A desk copy being developed in FY 1983 will be refined in FY 1984. The desk copy will illustrate the state-of-the-art in the scientific underpinnings of causes, effects, and cost-effectiveness of mitigation efforts.

Effect of Environmental Regulation on Employment and Income. This study will explore the effects of regulation in the environmental area upon income and employment. In addition to the publication of results in FY 1983, there will be follow-up studies in FY 1984.

1983 Program

The Council is allocating $124,000 and 2 work years to these activities. This represents a stable amount of dollar resources and work years from FY 1982 allocations, reflecting an increased emphasis on work related to acid precipitation.

The Council currently houses the Interagency Task Force on Acid Precipitation and participates on the Task Force as the Executive Secretary. In this regard, the Council has recently been directed by the White House to assume increased responsibilities. Specifically, the Council is to directly manage and supervise the activities of the Task Force and staff, and to provide overall policy coordination on this issue. Other departments and agencies involved in the acid rain issue have been directed to cooperate with the Council and to provide assistance when requested.

Further, the Council expects to publish a primer on Air Quality Management in April, 1983. This primer will illustrate basic concepts in air quality management, techical definitions, and assess the state-of-the-art in modeling and monitoring. It will include representative state and local requirements in addition to the Clean Air Act regulations. It will also show how basic economic analytical tools may be used to improve air quality management analysis. Work is also being initiated on the emission trading study, Clean Air Act legislation and economic analysis, and cost/benefit analysis of acid rain mitigation, as described above.

1982 Accomplishments

The Council allocated $124,000 and 2 work years to this activity.

The Council housed the Interagency Task Force on Acid Precipitation, and participated on the Task Force as Executive Secretary. We reviewed the activities of the working groups responsible for developing the Administration's position on the Transboundary Agreement negotiations with Canada. The Council provided testimony to Congress concerning the acid precipitation issue and made recommendations to the Administration concerning coordination of policy matters related to this issue.

CHAIRMAN

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

February 17,1983

The Honorable Robert T. Stafford, Chairman
Committee on Environment and
Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed for the Committee's consideration in connection with the First Concurrent Budget Resolution for fiscal year 1984 is the testimony of the Nuclear Regulatory Commission on its FY 1984 budget request.

I believe that the enclosed testimony addresses each of the five questions set forth in your letter of February 7, 1983. However, if the Commission can be of any further assistance, please do not hesitate to ask.

Sincerely,

Nunzio J. Palladino

Enclosure:
As stated

cc: The Honorable Jennings Randolph

PREPARED TESTIMONY
SUBMITTED BY
NUNZIO J. PALLADINO, CHAIRMAN
UNITED STATES NUCLEAR REGULATORY COMMISSION
TO THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE
CONCERNING THE COMMISSION'S
FISCAL YEAR 1984 BUDGET REQUEST

SUBMITTED FEBRUARY 17, 1983

U.S. NUCLEAR REGULATORY COMMISSION
FY 1984 BUDGET STATEMENT

INTRODUCTION AND OVERVIEW

MR. CHAIRMAN, IT IS A PLEASURE TO SUBMIT FOR THE COMMITTEE'S CONSIDERATION THIS STATEMENT DISCUSSING THE NUCLEAR REGULATORY COMMISSION'S BUDGET REQUEST FOR FISCAL YEAR 1984.

IN FISCAL YEAR 1983, WE ARE OPERATING UNDER A CONTINUING RESOLUTION WHICH LIMITS OUR NEW BUDGET AUTHORITY TO $462.5 MILLION. FAVORABLE ACTION ON A PAY RAISE SUPPLEMENTAL OF $3.5 MILLION WOULD INCREASE THIS TO $466.0 MILLION, AN AMOUNT THAT IS $13.5 MILLION LESS THAN THE PRESIDENT REQUESTED AND $8.5 MILLION LESS THAN WAS APPROVED IN THE HOUSE AND SENATE REPORTS ON APPROPRIATIONS FOR FY 1983. OUR REQUEST FOR FY 1984 IS FOR $466.8 MILLION.

OUR REQUEST REPRESENTS A DOWNWARD TREND IN REAL SPENDING POWER. FOR EXAMPLE, IN FY 1981 THE NRC BUDGET APPROVED BY CONGRESS WAS $452.5 MILLION. USING ACTUAL INFLATION RATES TO DATE AND CONSERVATIVE PROJECTIONS THROUGH FY 1985, IT WOULD REQUIRE OVER $500.0 MILLION TO FUND THE SAME LEVEL OF WORK IN FY 1984 AS WE DID FOR $452.5 MILLION IN FY 1981.

SINCE 1981 THERE HAS BEEN A GENERAL BELT-TIGHTENING AND TO SOME EXTENT A REALLOCATION OF RESOURCES WITHIN NRC. HOWEVER, THE MAIN IMPACT OF THIS REAL REDUCTION IN RESOURCES HAS BEEN IN THE NRC RESEARCH PROGRAM. FOR EXAMPLE, ADMINISTRATION OF THE LOSS OF FLUID TEST (LOFT) PROJECT HAS BEEN TRANSFERRED TO THE DEPARTMENT OF ENERGY AS PART OF AN INTERNATIONAL CONSORTIUM. THERE ALSO HAS BEEN A RESTRUCTURING OF OTHER PARTS OF OUR RESEARCH PROGRAM. THESE ACTIONS HAVE HELPED US TO ACCOMMODATE MOST OF THE REDUCTIONS. HAVING SAID THIS, I MUST STRESS THAT WE STILL HAVE MANY TECHNICAL SAFETY ISSUES TO RESOLVE. A HEALTHY RESEARCH PROGRAM IS ESSENTIAL IF WE ARE TO MAINTAIN THE ADEQUATE TECHNICAL BASE NEEDED TO MAKE SOUND REGULATORY DECISIONS.

ALSO, CONTRARY TO A BELIEF BY SOME, OUR TOTAL WORKLOAD IS NOT DECLINING. THE EXPERIENCE OF THE PAST TWO YEARS HAS CONVINCED ME THAT OUR WORKLOAD OF LICENSING NEW NUCLEAR POWER PLANTS WILL TEND TO STRETCH OUT OVER SEVERAL YEARS RATHER THAN PEAKING AND THEN DROPPING PRECIPITOUSLY. FURTHER, AS NEW PLANTS GRADUALLY COME ON LINE, WE MUST SHIFT RESOURCES FROM THE LICENSING PROCESS TO SURVEILLANCE OF NUCLEAR OPERATIONS IN THE FIELD.

FROM AN OVERALL AGENCY VIEWPOINT, IT IS ESSENTIAL THAT ADEQUATE RESOURCES BE MAINTAINED TO ASSURE THAT WE CAN CONTINUE TO DISCHARGE FULLY OUR RESPONSIBILITIES TO PROTECT THE PUBLIC HEALTH AND SAFETY. A CONCERN IS THAT OUR ESTIMATES FOR BOTH STAFF AND FUNDING IN THE MID-1980'S MAY BE NEARING THE ABSOLUTE MINIMUM NEEDED TO COVER ALL OF THE CRITICAL TASKS OF OUR REGULATORY

MISSION. TO HELP US GET A BETTER FORECAST OF OUR NEEDS FOR THE FUTURE, WE HAVE DIRECTED THE EXECUTIVE DIRECTOR FOR OPERATIONS TO EXAMINE THE LONG-RANGE RESOURCE REQUIREMENTS OF THE AGENCY OVER THE NEXT TEN YEARS. THE RESULTS OF THIS EXAMINATION SHOULD BE AVAILABLE THIS SUMMER.

WITH A TIGHT BUDGET, IT IS ESPECIALLY IMPORTANT THAT WE MAKE EVERY DOLLAR COUNT SO THAT THE COMMISSION'S HIGHEST PRIORITIES ARE MET. STATING OUR PRIORITIES CLEARLY AND CONCISELY IS AN IMPORTANT STEP TOWARDS PLANNING TO MEET THEM; IT IS ALSO AN IMPORTANT PART OF MAKING THE REGULATORY PROCESS MORE EFFECTIVE AND EFFICIENT. LIKE LAST YEAR, WE HAVE SET FORTH THE PRINCIPAL OBJECTIVES OF THE COMMISSION IN OUR POLICY AND PLANNING GUIDANCE FOR 1983.

KEY OBJECTIVES

FIRST AND FOREMOST AMONG OUR OBJECTIVES IS TO ASSURE THAT ALL OPERATING FACILITIES MAINTAIN ADEQUATE LEVELS OF PROTECTION OF PUBLIC HEALTH AND SAFETY.

IT HAS BEEN ALMOST FOUR YEARS SINCE THE ACCIDENT AT THREE MILE ISLAND. FOLLOWING THE ACCIDENT, THE COMMISSION TOOK IMMEDIATE STEPS TO UNDERSTAND THE LESSONS TO BE LEARNED FROM IT. MANY OF THE MOST IMPORTANT LESSONS LEARNED FROM TMI HAVE ALREADY BEEN

APPLIED TO PLANTS IN OPERATION OR UNDER CONSTRUCTION. THE RESULT HAS BEEN TO UPGRADE REACTOR SAFETY SIGNIFICANTLY.

SOME IMPORTANT WORK STILL NEEDS TO BE DONE. THREE MILE ISLAND TAUGHT US NOT TO IGNORE THE ROLE OF HUMANS IN PLANT OPERATION. ACCORDINGLY, WE HAVE GIVEN GREATER EMPHASIS TO HUMAN FACTORS IN THE SAFETY OF NUCLEAR PLANTS. IN THIS REGARD, WE EXPECT TO COMPLETE WORK ON FORMULATING OUR LONG-RANGE HUMAN FACTORS PROGRAM AND TO IMPLEMENT THAT PROGRAM DURING FISCAL YEARS 1983-85.

THREE MILE ISLAND ALSO TAUGHT US THE IMPORTANCE OF CLOSE STUDY OF OPERATING EXPERIENCE THAT MAY CONTAIN POSSIBLE PRECURSORS TO ACCIDENTS. AS A RESULT, WE GREATLY EXPANDED NRC EFFORTS TO COLLECT, ANALYZE, AND DISSEMINATE SIGNIFICANT OPERATIONAL DATA ON A TIMELY BASIS. CLOSE AND CONTINUOUS ATTENTION TO THE SAFETY IMPLICATIONS OF ACTUAL PLANT OPERATING EXPERIENCE REMAINS A VITAL PART OF OUR JOB.

INSPECTION AND ENFORCEMENT ACTIVITIES ARE ANOTHER MEANS AT OUR DISPOSAL TO ASSURE THAT OPERATING FACILITIES MAINTAIN ADEQUATE LEVELS OF SAFETY. OUR ENFORCEMENT PROGRAM WILL CONTINUE TO BE FOCUSED ON ACHIEVING COMPLIANCE WITH NRC REQUIREMENTS. WE INTEND TO BE PROMPT AND VIGOROUS IN ENFORCING OUR REQUIREMENTS, AND TO EVALUATE PERIODICALLY THE RESULTS OF OUR ENFORCEMENT EFFORTS IN ORDER TO MAKE THEM MORE EFFECTIVE.

THERE ARE 76 NUCLEAR PLANTS CURRENTLY LICENSED TO OPERATE IN THE UNITED STATES, GENERATING ABOUT ONE-EIGHTH OF THE NATION'S ELECTRICITY -- ABOUT AS MUCH AS ALL THE ELECTRICITY THE U.S. WAS USING AT THE CLOSE OF WORLD WAR II. ABOUT 60 ADDITIONAL NUCLEAR UNITS ARE IN VARIOUS STAGES OF CONSTRUCTION -- TWO-THIRDS OF THEM 50% OR MORE COMPLETED. AS CONSTRUCTION OF THE NEW PLANTS CONTINUES, THERE SHOULD BE A SUBSTANTIAL INCREASE IN OPERATIONAL NUCLEAR PLANTS IN THIS COUNTRY OVER THE NEXT SEVERAL YEARS.

NEVERTHELESS, BASED ON PRIOR EXPERIENCE IT IS FAIR TO ASSUME THAT SOME OF THE CONSTRUCTION SCHEDULES NOW REPORTED TO US WILL NOT BE MET. AS A RESULT, THE TOTAL NUMBER OF NEW PLANTS BROUGHT ON LINE WILL PROBABLY BE SPREAD OVER MORE YEARS, THEREBY EXTENDING OUR LICENSING WORKLOAD BEYOND THE POINT WHERE CURRENT PROJECTIONS INDICATE IT WILL TAPER OFF. OUR BUDGET ESTIMATES FOR THE MID-1980'S THEREFORE SHOULD BE EVALUATED IN LIGHT OF THE UNCERTAINTY IN THE CONSTRUCTION SCHEDULES. WE MUST NOT GET INTO A SITUATION WHERE WE CUT BACK TOO SEVERELY ON OUR SKILLED LICENSING STAFF IN ANTICIPATION OF A PRECIPITOUSLY DECLINING WORKLOAD, ONLY TO FIND THAT THE WORKLOAD IS DECLINING MUCH MORE GRADUALLY.

WE DO INTEND THAT THE REGULATORY PROCESSES INVOLVED IN LICENSING THESE NEW PLANTS BE AS EFFICIENT AND EFFECTIVE AS POSSIBLE. WE WANT TO ELIMINATE ALL UNWARRANTED DELAY IN REACHING REGULATORY DECISIONS, AND WE WANT OUR LICENSING BOARDS TO REACH SOUND AND FAIR DECISIONS WHILE AT THE SAME TIME TAKING FIRM HOLD OF THE

HEARINGS TO ASSURE THAT THEY ARE CONDUCTED EFFICIENTLY. WE ALSO WILL CONTINUE TO WORK WITH THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) TO RESOLVE DIFFICULTIES IN SECURING THE FINDINGS FOR OFFSITE EMERGENCY PLANS FOR NUCLEAR PLANT SITES IN A TIMELY FASHION.

ONE OF THE PROBLEMS ASSOCIATED WITH BUILDING AND LICENSING THE NEW NUCLEAR PLANTS IS ASSURING ADEQUATE QUALITY. AN EFFECTIVE QUALITY ASSURANCE (QA) PROGRAM IS INDISPENSABLE TO OBTAINING A WELL BUILT AND SAFELY OPERATED NUCLEAR POWER PLANT. CONSIDERING THE VERY HIGH COST OF MISTAKES, EFFECTIVE QA PROGRAMS OUGHT TO BE TOP PRIORITY FOR THE NUCLEAR INDUSTRY FOR ECONOMIC REASONS AS WELL.

UPON BECOMING CHAIRMAN OF THE NRC SOME TWENTY MONTHS AGO, I WAS STRUCK BY THE DISPARITY IN QUALITY ASSURANCE EFFECTIVENESS AMONG THE UTILITIES CONSTRUCTING NUCLEAR POWER PLANTS. SOME WERE DOING A SUPERIOR JOB, BUT OTHERS WERE NOT DOING TOO WELL. SOME UTILITIES ARE NOW PAYING A HIGH PRICE FOR THEIR PAST IN-ATTENTIVENESS.

IN NUCLEAR POWER PLANT CONSTRUCTION, IT IS OUR JOB TO DETECT MANAGEMENT CONTROL LAPSES AND TO DETECT SUBSEQUENT INEFFECTIVENESS IN THE MANAGEMENT'S QA PROGRAM. WE HAVE NOT ALWAYS DONE THAT JOB AS WELL AS IT MIGHT HAVE BEEN DONE. IN PART, I BELIEVE THIS IS BECAUSE WE HAVE NOT ADDRESSED DESIGN QUALITY AS SPECIFICALLY AND EXTENSIVELY AS SOME OTHER AREAS. IN

PART, IT IS ALSO BECAUSE OUR LICENSING AND INSPECTION PROGRAMS HISTORICALLY HAVE FOCUSED ON INDIVIDUAL PROBLEM AREAS RATHER THAN ON THE BROADER PROJECT MANAGEMENT PICTURE AND HAVE NOT GIVEN SUFFICIENT ATTENTION TO PROJECT MANAGEMENT CONTROL AT CONSTRUCTION SITES.

A NUMBER OF INITIATIVES PUT FORWARD BY THE NRC STAFF HAVE BEEN ADOPTED IN AN EFFORT TO RAISE OUR LEVEL OF CONFIDENCE IN THE QUALITY OF DESIGN AND CONSTRUCTION AND IN MANAGEMENT CONTROL OF THAT QUALITY. THESE INITIATIVES INCLUDE SELF-EVALUATION OF CONSTRUCTION BY THE UTILITY AND THE REQUIREMENT THAT THE UTILITY'S CHIEF EXECUTIVE OFFICER OR HIS DESIGNEE NOW CERTIFY THAT THE FACILITY HAS BEEN DESIGNED, CONSTRUCTED, AND TESTED IN ACCORDANCE WITH LICENSE COMMITMENTS. WE ALSO ARE HOPEFUL THAT THE INSTITUTE FOR NUCLEAR POWER OPERATIONS WILL DEVELOP MORE EFFECTIVE INDUSTRY PROGRAMS TO IMPROVE QUALITY ASSURANCE.

THE NRC IS CONDUCTING A MORE DETAILED AND RIGOROUS EVALUATION OF EACH CANDIDATE FACILITY FOR AN OPERATING LICENSE AND OF ITS INSPECTION AND ENFORCEMENT HISTORY. WE ARE ALSO PLACING GREATER EMPHASIS ON INSPECTIONS OF THE QA PROGRAM AND FIELD QUALITY CONTROL IN THE EARLY STAGES OF CONSTRUCTION THROUGH USE OF A CONSTRUCTION ASSESSMENT TEAM OF INSPECTORS.

IN ADDITION, IN KEEPING WITH THE DIRECTION OF CONGRESS PROVIDED IN SECTION 13 OF PUBLIC LAW 97-415, THE COMMISSION IS CONDUCTING A STUDY OF EXISTING AND ALTERNATIVE PROGRAMS FOR IMPROVING

QUALITY ASSURANCE AND QUALITY CONTROL IN THE CONSTRUCTION OF NUCLEAR POWER PLANTS. THIS STUDY WILL ASSESS AGENCY, INDUSTRY AND OUTSIDE PROGRAMS IN QUALITY AND PROJECT MANAGEMENT AND WILL ENHANCE THE LONG-TERM DIRECTION OF NRC QUALITY ASSURANCE POLICIES AND PROGRAMS. WE WILL BE SEEKING PUBLIC COMMENT ON THE VARIOUS APPROACHES UNDER STUDY AND WILL PROVIDE THE CONGRESS WITH A REPORT ON OUR FINDINGS IN 1984.

ONE UNINTENDED AFTER-EFFECT OF THE RUSH TO UPGRADE PLANT SAFETY THAT FOLLOWED THREE MILE ISLAND WAS REVEALED IN A SURVEY TAKEN BY OUR ATLANTA REGIONAL ADMINISTRATOR JAMES O'REILLY JUST BEFORE MY ARRIVAL AT THE NRC. THAT SURVEY ELICITED THE CANDID OPINION OF VARIOUS UTILITY PERSONNEL AND REFLECTED A PERVASIVE CONCERN THAT UTILITIES WERE OVERWHELMED BY THE VOLUME OF REQUIREMENTS BEING ISSUED.

OUR RESPONSE WAS TO SET UP A COMMITTEE OF SENIOR TECHNICAL EXPERTS TO SERVE AS A FILTER FOR PROPOSED NEW REQUIREMENTS AFFECTING MULTIPLE PLANTS. THIS COMMITTEE REVIEWS REQUIREMENTS AND DETERMINES WHETHER EACH ONE WOULD CONTRIBUTE SIGNIFICANTLY TO PUBLIC SAFETY AND WOULD LEAD TO OPTIMAL USE OF BOTH NRC AND LICENSEE RESOURCES. THE COMMITTEE WEIGHS BOTH SAFETY AND COST CONSIDERATIONS AND MAKES ITS RECOMMENDATIONS TO OUR EXECUTIVE DIRECTOR FOR OPERATIONS, WHO IS NOW THE CONTROL POINT FOR ISSUING NEW REQUIREMENTS.

I BELIEVE THAT THIS NEW APPROACH IS WORKING WELL. WE HAVE PUT CONTROLS ON MANY OF THE REGULATORY CHANNELS AND INSTILLED THE DISCIPLINE THAT OUR REQUIREMENTS ARE TO CONTRIBUTE POSITIVELY TO SAFETY, NOT ONLY INDIVIDUALLY, BUT WHEN THEY ARE TAKEN AS A WHOLE. I WANT TO EMPHASIZE THAT THE COMMITTEE'S CHARTER DIRECTS THAT IT NOT REDUCE THE LEVEL OF SAFETY AT NUCLEAR POWER PLANTS. THUS, THE COMMITTEE IS NOT INTENDED TO BLOCK OR DELAY NEEDED NEW REQUIREMENTS.

THE COMMISSION BELIEVES THAT, FOR THE FUTURE, STRONG MEASURES MUST CONTINUE TO BE TAKEN TO CONTROL THE ISSUANCE OF NEW REQUIREMENTS. UNNECESSARY REGULATORY BURDENS ARE TO BE AVOIDED, AND IMPLEMENTATION SCHEDULES ARE TO BE CUSTOMIZED FOR EACH LICENSEE, TAKING INTO ACCOUNT THE COMPETING PRIORITIES OF ALL THE WORK THAT NEEDS TO BE DONE. WE ALSO HAVE ASKED THE EXECUTIVE DIRECTOR TO PROPOSE IN 1983 A MECHANISM TO CONTROL THE ISSUANCE OF SPECIFIC NEW REQUIREMENTS THAT WOULD AFFECT ONLY INDIVIDUAL PLANTS. THIS APPROACH WOULD LEAD TO MORE THOROUGH EVALUATION OF CASE-BY-CASE PROPOSALS TO ADD REQUIREMENTS. AT THE SAME TIME, WE REMAIN FIRMLY COMMITTED TO MOVE FORWARD EXPEDITIOUSLY WITH NEW REQUIREMENTS THAT ARE NEEDED TO PROTECT THE PUBLIC HEALTH AND SAFETY.

WE ARE VERY INTERESTED IN PROMPT RESOLUTION OF IMPORTANT TECHNICAL MATTERS THAT ARE CLASSED AS UNRESOLVED SAFETY ISSUES. STEAM GENERATOR DIFFICULTIES OF VARIOUS TYPES AND THE PHENOMENON CALLED PRESSURIZED THERMAL SHOCK HAVE BEEN IN THE NEWS OVER THE

PAST YEAR. THESE ARE EXAMPLES OF UNRESOLVED SAFETY ISSUES THAT WE HAVE TO KEEP UNDER SCRUTINY AND EVALUATION WHILE WE WORK TOWARD A TECHNICAL RESOLUTION. THEY ARE ALSO EXAMPLES OF PROBLEMS THAT, IF ADDRESSSED THOROUGHLY AND PROMPTLY, NEED NOT POSE A SERIOUS HEALTH AND SAFETY THREAT TO THE PUBLIC. PRIORITIES FOR IMPLEMENTING SOLUTIONS TO THE UNRESOLVED SAFETY ISSUES, ONCE THE SOLUTIONS ARE DEVELOPED, ARE TO BE ESTABLISHED IN LIGHT OF THE SAFETY SIGNIFICANCE OF THE ISSUES AND ALL OTHER REQUIREMENTS IMPOSED ON LICENSEES.

ANOTHER SIGNIFICANT OCCURRENCE HAS BEEN THE REDUCTION IN THE BACKLOG OF THOUSANDS OF OPERATING REACTOR LICENSING ACTIONS. THIS REDUCTION RESULTED FROM OUR CONTROL OF NEW REQUIREMENTS WHILE APPLYING RESOURCES TO THE EXISTING INVENTORY. DURING FY 1982, THE BACKLOG WAS REDUCED FROM ABOUT 5,400 PENDING LICENSING ACTIONS TO APPROXIMATELY 3,600. BY THE END OF FY 1983, WE EXPECT TO HAVE ASSIGNED ABOUT 800 LICENSING ACTIONS TO OUR REGIONAL PERSONNEL, WHO CAN DEVELOP TECHNICAL RESOLUTIONS FROM A VANTAGE POINT MUCH CLOSER TO THE ACTUAL OPERATIONS OF NEARBY LICENSEES.

THIS SHIFT OF SOME LICENSING RESPONSIBILITIES TO THE FIVE NRC REGIONAL OFFICES IS PART OF A MANAGEMENT INITIATIVE TO DECENTRALIZE THE IMPLEMENTATION OF SEVERAL NRC NATIONAL PROGRAMS, INCLUDING INSPECTION AND ENFORCEMENT; MATERIALS, SAFEGUARDS AND URANIUM RECOVERY LICENSING; REACTOR OPERATOR LICENSING; OPERATING POWER REACTOR LICENSE AMENDMENTS AND EMERGENCY PLAN REVISIONS;

AND CERTAIN ADMINISTRATIVE AND SUPPORT FUNCTIONS. BY ENLARGING THE ROLE OF NRC REGIONAL OFFICES, THE COMMISSION HOPES TO

- BRING NRC NEARER TO STATE AND LOCAL GOVERNMENTS AND THE PUBLIC BY FORMALIZING THE ROLE OF REGIONAL OFFICES TO REPRESENT NRC IN THEIR REGIONS;

- IMPROVE COORDINATION OF LICENSING WITH INSPECTION AND ENFORCEMENT ACTIVITIES ALREADY IN THE FIELD; AND

- STRENGTHEN INCIDENT RESPONSE CAPABILITY BY DELEGATING CERTAIN RESPONSIBILITIES AND AUTHORITIES TO THE REGIONS.

AT THE IMPLEMENTATION LEVEL, THE REGIONAL OFFICES WILL ACT AS AGENTS OF THE HEADQUARTERS PROGRAM OFFICES, WHICH RETAIN RESPONSIBILITY FOR POLICY GUIDANCE, DIRECTION AND OVERSIGHT OF THEIR NATIONAL PROGRAMS. IN ADDITION TO OVERALL PROGRAM MANAGEMENT, THE HEADQUARTERS OFFICES WILL MAINTAIN THE CENTERS OF EXCELLENCE IN THE HIGHLY TECHNICAL DISCIPLINES THAT ARE NECESSARY TO EVALUATE AND RESOLVE NUCLEAR SAFETY ISSUES, TO REVIEW NUCLEAR POWER PLANT APPLICATIONS AND ISSUE CONSTRUCTION PERMITS AND OPERATING LICENSES, AND TO SUPPORT NUCLEAR REGULATION IN MANY OTHER AREAS.

WE ARE PROCEEDING CAUTIOUSLY. WE WANT TO OBTAIN COMMENTS FROM THE PUBLIC, THE INDUSTRY AND OTHER GOVERNMENT AGENCIES TO ASSURE THAT OUR APPROACH YIELDS ADVANTAGES. THE GRADUAL EXPANSION OF

REGIONAL OPERATIONS WILL ENABLE NRC TO LEARN FROM CONTINUING EXPERIENCE IN ADMINISTERING DECENTRALIZED PROGRAMS AND TO BE SENSITIVE TO THE HUMANITARIAN NEEDS OF ITS EMPLOYEES WHOSE FUNCTIONS WILL BE TRANSFERRED AS WELL.

LET ME NOW TURN TO THE PROPOSED LEGISLATION THAT THE COMMISSION INTENDS TO SUBMIT IN FEBRUARY TO THE CONGRESS. THIS LEGISLATION, KNOWN AS THE "NUCLEAR POWERPLANT LICENSING REFORM ACT OF 1983", ADDRESSES STEPS THAT WE BELIEVE ARE NEEDED TO IMPROVE THE LICENSING PROCESS. IN ADDITION TO THESE LEGISLATIVE CHANGES, WE ARE CONSIDERING PROPOSALS FOR CHANGES THAT COULD RESULT FROM ADMINISTRATIVE ACTION WITHIN THE NRC ITSELF.

THE LEGISLATIVE CHANGES WOULD SEEK AUTHORITY FROM CONGRESS TO OFFER UTILITIES A CHOICE AMONG PREAPPROVED STANDARD REACTOR DESIGNS, TO PERMIT EARLY APPROVAL OF PLANT SITING, AND TO PERMIT GRANTING OF A COMBINED CONSTRUCTION PERMIT AND OPERATING LICENSE FOR WELL DEVELOPED DESIGNS SO AS TO DEAL WITH AS MANY ISSUES AS POSSIBLE EARLY DURING THE LICENSING PROCESS. THE NEW AUTHORITY SHOULD MAKE THE LICENSING PROCESS FOR NUCLEAR POWER PLANTS MORE COMPATIBLE WITH THE PRESENT STATE OF NUCLEAR TECHNOLOGY WITH NO COMPROMISE OF SAFETY.

THE KEY IS STANDARDIZATION OF PLANTS. IN ADDITION TO REDUCING CONSTRUCTION TIMES AND COSTS, STANDARDIZATION SHOULD ENHANCE SAFETY. IT WOULD ALLOW NUCLEAR DESIGN, ENGINEERING, AND VENDOR RESOURCES, AS WELL AS NRC RESOURCES, TO BE CONCENTRATED ON

PARTICULAR APPROACHES AND FEWER DESIGNS. IT WOULD STIMULATE STANDARD PROGRAMS OF CONSTRUCTION PRACTICE AND QUALITY ASSURANCE WHICH CAN BE IMPROVED WITH REPEATED USE. IT SHOULD MAKE FOR BETTER, FASTER TRAINING OF PERSONNEL. EXPERIENCE GAINED AT ANY STANDARD PLANT WOULD BE RELEVANT TO THE OPERATING PERSONNEL, EQUIPMENT, AND PROCEDURES OF LIKE STANDARD NUCLEAR POWER PLANTS WHEREVER THEY ARE LOCATED. THAT SHOULD LEAD TO MORE EFFECTIVE MAINTENANCE OF KEY SAFETY COMPONENTS AND IMPROVED OPERATIONS. FINALLY, STANDARDIZATION SHOULD LEAD TO A MORE EFFECTIVE AND MORE EFFICIENT REGULATORY PROCESS.

INTERNAL REGULATORY CHANGES BEING CONSIDERED INCLUDE FURTHER REVISION OF THE PROCEDURES FOR CONTROLLING NEW REQUIREMENTS, AS I DESCRIBED A FEW MINUTES AGO, REDEFINITION OF THE ROLE OF THE NRC STAFF IN HEARINGS, AND REVISIONS IN RULES FOR INTERACTIONS BETWEEN THE STAFF AND THE COMMISSION.

WE ARE TAKING A NUMBER OF OTHER STEPS TO SHARPEN THE FOCUS OF OUR REGULATORY PROGRAM. THE COMMISSION WILL BE PUBLISHING SOON A POLICY STATEMENT CONTAINING PRELIMINARY SAFETY GOALS FOR NUCLEAR POWER PLANTS. THESE SAFETY GOALS WILL UNDERGO A DETAILED EVALUATION DURING A TWO-YEAR PERIOD. THE GOALS ARE PRELIMINARY IN THAT THEY WILL NOT BE USED AS A BASIS FOR REGULATORY DECISIONS DURING THE TWO-YEAR PERIOD AND ARE SUBJECT TO CHANGE AT THE END.

OUR SAFETY GOALS ARE AIMED AT PROTECTING INDIVIDUALS AND SOCIETY FROM ANY SIGNIFICANT ADDED RISKS DUE TO THE OPERATION OF NUCLEAR

POWER PLANTS. OUR POLICY STATEMENT ALSO CONTAINS PRELIMINARY DESIGN OBJECTIVES THAT ARE INTENDED TO BE CONSISTENT WITH THESE GOALS.

IN DEVELOPING THE OBJECTIVES, THE COMMISSION CHOSE RISK LEVELS WHICH WE BELIEVE THE INDUSTRY SHOULD STRIVE FOR RATHER THAN LEVELS THAT ALL PLANTS COULD NOW MEET. OF COURSE THIS DOES NOT MEAN THAT PLANTS WHICH MAY NOT MEET THESE PRELIMINARY OBJECTIVES ARE UNSAFE. WE BELIEVE THAT THE REQUIREMENTS CONTAINED IN OUR CURRENT REGULATIONS ARE ADEQUATE TO PROTECT THE PUBLIC HEALTH AND SAFETY.

WHAT WE ARE DOING IS DEVELOPING NEW TOOLS THAT COULD OFFER, OVER THE LONG HAUL, BETTER INSIGHTS INTO THE QUESTION, "HOW SAFE IS SAFE ENOUGH?" IT IS A DIFFICULT AND BOLD NEW VENTURE FOR THE COMMISSION, BUT ONE WHICH A MAJORITY OF US BELIEVE IS WORTH UNDERTAKING. IF IT IS POSSIBLE TO PREDICT IN ADVANCE JUST HOW FAR IT IS NECESSARY TO GO TO ACHIEVE AN ACCEPTABLE LEVEL OF SAFETY, THAT KNOWLEDGE MAY HELP TO STABILIZE BOTH THE REGULATORY PROCESS AND LONG-RANGE PLANNING BY UTILITIES AND OTHER ELEMENTS OF THE NUCLEAR INDUSTRY.

DURING THE EVALUATION PERIOD FOR THE SAFETY GOALS, SPECIAL ATTENTION WILL BE GIVEN TO THE USE OF PROBABILISTIC RISK ASSESSMENT (PRA) TECHNIQUES. A GREAT DEAL OF PROGRESS HAS BEEN MADE IN THE USE OF PRA SINCE THE ORIGINAL REACTOR SAFETY STUDY (WASH-1400) APPLIED THE TECHNIQUE IN THE 1970'S. MUCH STILL

NEEDS TO BE REFINED. NEVERTHELESS, THE COMMISSION BELIEVES THAT, DESPITE THE LIMITATIONS AND UNCERTAINTIES ASSOCIATED WITH ITS USE, PRA CAN BE A USEFUL TOOL FOR WEIGHING RISKS IN A VARIETY OF REGULATORY APPLICATIONS. THESE INCLUDE DEALING WITH GENERIC SAFETY ISSUES, FORMULATING NEW REGULATORY REQUIREMENTS, ASSESSING AND REVALIDATING OR ELIMINATING EXISTING REGULATORY REQUIREMENTS, EVALUATING NEW DESIGNS, AND SETTING REACTOR SAFETY RESEARCH AND INSPECTION PRIORITIES.

THE NRC STAFF HAS ALSO BEGUN A COMPREHENSIVE REASSESSMENT OF THE RADIOACTIVE SOURCE-TERM. THE SOURCE-TERM IDENTIFIES THE QUANTITIES AND KINDS OF RADIOACTIVE MATERIALS THAT COULD BE RELEASED FOLLOWING A NUCLEAR ACCIDENT. ANALYSIS OF THE ATMOSPHERE INSIDE THE THREE MILE ISLAND CONTAINMENT AND CERTAIN EXPERIMENTS HAVE PROVIDED EVIDENCE THAT THE RADIOACTIVE MATERIALS IN QUESTION MIGHT NOT BE DISPERSED IN THE MANNER AND IN THE AMOUNTS PREVIOUSLY ASSUMED. IN FACT, PREVIOUS ASSUMPTIONS MAY HAVE CONSIDERABLY OVERESTIMATED THE AMOUNT OF RADIOACTIVITY THAT WOULD BE RELEASED IN MOST ACCIDENTS. IF THIS PROVES TO BE THE CASE IT WOULD REDUCE THE CURRENT ESTIMATE OF PUBLIC SAFETY IMPACT ASSOCIATED WITH A NUCLEAR ACCIDENT. BUT THESE POSSIBILITIES REMAIN TO BE CONFIRMED. A REEVALUATION OF THE SOURCE TERM AND THE IMPACT ON OUR REQUIREMENTS SHOULD BE CONCLUDED WITHIN THE NEXT ONE TO TWO YEARS.

THE PREVIOUS DISCUSSION LEADS ME BACK TO AN OBSERVATION MADE IN MY OPENING REMARKS; BEHIND OUR REGULATORY DECISIONS MUST BE A

HEALTHY PROGRAM OF RESEARCH. THE RESEARCH PROGRAM PROVIDES THE TECHNICAL BASIS FOR RULEMAKING AND SUPPORTS LICENSING AND INSPECTION ACTIVITIES. IT ALSO ENABLES US TO ASSESS THE FEASIBILITY AND EFFECTIVENESS OF SAFETY IMPROVEMENTS AND TO INCREASE OUR UNDERSTANDING OF PHENOMENA AND TECHNIQUES FOR ANALYZING THEM.

OUR BUDGET CONTEMPLATES A BALANCED RESEARCH PROGRAM. THE HIGHEST PRIORITY WILL BE GIVEN TO LIGHT WATER REACTOR SAFETY, BUT AN ADEQUATE RESEARCH BASE WILL BE MAINTAINED FOR ADVANCED REACTORS AND FOR WASTE MANAGEMENT ACTIVITIES. PARTICULAR ATTENTION WILL BE GIVEN BOTH TO RESEARCH WHICH SHOWS THAT WE OUGHT TO CHANGE OUR REGULATIONS AND TO INCORPORATING THE RESULTS OF RESEARCH INTO REGULATIONS. THE STAFF WILL ALSO BEGIN TO REPORT ANNUALLY TO THE COMMISSION ON THE CORRELATION BETWEEN RESEARCH ACTIVITIES AND PARTICULAR REGULATIONS. THE REPORT WILL LIST REGULATIONS LIKELY TO BE SUBSTANTIVELY MODIFIED OR SUBSTANTIATED BY THE RESEARCH PROGRAMS AND WILL SPECIFY TARGET DATES FOR REVIEW OF THESE REGULATIONS.

THE 97TH CONGRESS, IN ITS CLOSING DAYS, PASSED THE NUCLEAR WASTE POLICY ACT OF 1982, WHICH THE PRESIDENT HAS SIGNED INTO LAW. THE GOVERNMENT NOW CAN MOVE FORWARD WITH THE REPOSITORY DEVELOPMENT PROGRAM. WE ARE PREPARED TO DO OUR PART TO ASSURE THAT OUR REGULATORY RESPONSIBILITIES FOR THE NUCLEAR WASTE PROGRAM ARE CARRIED OUT PROPERLY AND PROMPTLY IN ACCORDANCE WITH THE DIRECTION OF THE CONGRESS.

WE EXPECT TO PUBLISH THE FINAL RULE ESTABLISHING THE TECHNICAL CRITERIA FOR HIGH LEVEL WASTE REPOSITORIES EARLY THIS YEAR. THIS RULE WILL BE CONSISTENT WITH THE PROPOSED ENVIRONMENTAL PROTECTION AGENCY STANDARDS, BUT MAY, OF COURSE, BE SUBJECT TO SOME REVISION IF THERE ARE CHANGES IN THESE STANDARDS WHEN THEY ARE ISSUED IN FINAL FORM.

OVER THE NEXT SEVERAL YEARS, OUR HIGH-LEVEL WASTE MANAGEMENT PROGRAM WILL FOCUS ON IMPLEMENTING THE REQUIREMENTS OF THE NEW ACT. WE WILL REVIEW DOE'S FIRST SITE CHARACTERIZATION REPORT AND MAKE NECESSARY PREPARATIONS TO REVIEW DOE'S FIRST REPOSITORY LICENSE APPLICATION WITHIN THE TIME-FRAME PRESCRIBED BY THE ACT. WE ALSO EXPECT TO BE READY TO REVIEW PROPOSALS FOR AWAY-FROM-REACTOR OR AT-REACTOR INDEPENDENT SPENT FUEL STORAGE FACILITIES.

I WANT TO ADD THAT WE ARE FINDING THE NEW WASTE POLICY ACT TO BE VERY COMPLEX, REQUIRING A NUMBER OF ACTIONS AND COMMITMENTS TO TAKE PLACE ON A FAIRLY RAPID SCHEDULE. WE ARE NOW EVALUATING THE ACT'S RESOURCE AND PROGRAMMATIC IMPACTS. IN PARTICULAR, BEFORE WE CAN LICENSE ANY NEW NUCLEAR POWER PLANTS, THE UTILITIES BUILDING THESE PLANTS MUST AT LEAST HAVE MADE A GOOD FAITH EFFORT IN NEGOTIATING WASTE MANAGEMENT SERVICE CONTRACTS WITH THE DEPARTMENT OF ENERGY.

IN RELATED MATTERS, WE HAVE RECENTLY PUBLISHED THE FINAL REGULATION GOVERNING THE NEAR SURFACE DISPOSAL OF LOW-LEVEL RADIOACTIVE WASTE. WE HOPE THAT REGULATION, WHICH PROVIDES ADEQUATE PROTECTIVE REQUIREMENTS, WILL ENCOURAGE THE DEVELOPMENT OF ADDITIONAL LOW-LEVEL WASTE DISPOSAL SITES WITHIN THE U.S.

WE ARE ALSO IN THE PROCESS OF CONCLUDING DELIBERATIONS REQUIRED BY THE COURTS CONCERNING OUR CONFIDENCE IN AMERICA'S ABILITY TO SAFELY DISPOSE OF NUCLEAR WASTE. AND, DURING 1984, WE SHOULD BE ABLE TO PUBLISH A FINAL RULE ESTABLISHING HOW LICENSEES WILL ADDRESS ISSUES OF EXTENDED FUEL STORAGE FOLLOWING THE EXPIRATION OF THEIR LICENSES.

ALMOST FOUR YEARS AFTER THE THREE MILE ISLAND ACCIDENT, THE RADIOACTIVE RUBBLE INSIDE THE DAMAGED UNIT 2 REACTOR REMAINS A POTENTIAL SAFETY AND HEALTH HAZARD TO THE PUBLIC. SAFE AND EXPEDITIOUS CLEANUP IS ONE OF NRC'S HIGHEST PRIORITIES. DIRECT RESPONSIBILITY, OF COURSE, RESTS WITH THE LICENSEE. HOWEVER, WE WILL CONTINUE TO PROVIDE REGULATORY OVERSIGHT AND, IF NECESSARY, TAKE ACTION TO ENSURE PROMPT DECONTAMINATION OF THE FACILITY, INCLUDING SAFE AND TIMELY REMOVAL OF THE REACTOR CORE AND OTHER RADIOACTIVE WASTES FROM THE SITE. I WANT TO ASSURE YOU OF OUR CONTINUED COMMITMENT TO THE CLEANUP OF TMI-2 AND OF OUR WILLINGNESS TO WORK TOGETHER WITH THE DEPARTMENT OF ENERGY AND OTHERS INVOLVED ON ALL ASPECTS OF THE CLEANUP.

IN CONSIDERING OUR INTERNATIONAL RESPONSIBILITIES, THE COMMISSION RECOGNIZES THAT THE PROLIFERATION OF NUCLEAR EXPLOSIVE DEVICES POSES A POTENTIAL THREAT TO THE SECURITY INTERESTS OF THE UNITED STATES AND TO THE FUTURE OF ALL PEOPLE. HENCE, WE WILL CONTINUE TO DISCHARGE OUR STATUTORY LICENSING RESPONSIBILITIES TO ENSURE THAT EFFECTIVE CONTROLS ARE APPLIED TO THE IMPORT AND EXPORT OF NUCLEAR MATERIALS, EQUIPMENT AND FACILITIES. WE INTEND TO WORK CLOSELY WITH THE EXECUTIVE BRANCH AS THE UNITED STATES PURSUES IMPROVEMENTS IN INTERNATIONAL SAFEGUARDS.

WE ALSO CONSIDER DOMESTIC NUCLEAR SAFEGUARDS AN INTEGRAL AND ONGOING ELEMENT OF OUR RESPONSIBILITY, TO BE CONDUCTED WITH THE SAME HIGH-CONFIDENCE DEFENSE-IN-DEPTH PHILOSOPHY AS SAFETY REGULATION. WITHIN THIS FRAMEWORK, WE CONTINUE TO LOOK FOR THE MOST EFFECTIVE AND EFFICIENT WAYS TO MAINTAIN A VIGILANT PROGRAM.

WE INTEND TO GIVE GREATER EMPHASIS TO PERFORMANCE REQUIREMENTS RATHER THAN PRESCRIPTIVE REQUIREMENTS TO ALLOW LICENSEES TO SELECT THE MOST COST EFFECTIVE WAY TO SATISFY SAFEGUARDS NEEDS. WE ALSO INTEND TO EXAMINE CLOSELY THE SAFETY-SAFEGUARDS RELATIONSHIP. OUR INTENT IS NOT TO RELAX THE OVERALL LEVEL OF PROTECTION CURRENTLY PROVIDED BY SAFEGUARDS, BUT TO ASSURE THAT SAFEGUARDS REQUIREMENTS DO NOT ADVERSELY AFFECT PLANT SAFETY.

BUDGET SUMMARY

I WILL NOW SUMMARIZE THE MORE SIGNIFICANT ACTIVITIES WITHIN EACH OF OUR MAJOR PROGRAM CATEGORIES IN ORDER TO PROVIDE YOU WITH A BASIS FOR OUR BUDGET REQUEST AND TO EXPLAIN SOME CHANGES BETWEEN OUR FY 1983 AND FY 1984 RESOURCE LEVELS AND PROGRAMS.

REACTOR REGULATION	ESTIMATE FY 1983	ESTIMATE FY 1984	ESTIMATE FY 1985
$(MILLIONS)	$94.4	$91.5	$87.1
PEOPLE	748	730	709

THE NUCLEAR REACTOR REGULATION PROGRAMS DECREASE BY 18 STAFF AND $2.9 MILLION IN FY 1984, MAINLY AS THE RESULT OF A PROJECTED REDUCTION IN CASEWORK.

A STEADY INCREASE IN THE NUMBER OF POWER REACTORS OPERATING IN THE UNITED STATES WILL REQUIRE NRC TO PROVIDE FOR A CORRESPONDING INCREASE IN EXAMINATIONS AND CERTIFICATION OF OPERATING REACTOR PERSONNEL. THE INCREASE IN THE NUMBER OF OPERATING REACTORS WILL ALSO REQUIRE THE ASSIGNMENT OF ADDITIONAL PLANT PROJECT MANAGERS.

RESOURCES ARE INCLUDED TO CONTINUE OUR REVIEW OF OPERATING REACTOR SAFETY IN A SYSTEMATIC MANNER AND TO MAINTAIN A VIABLE SAFETY IMPROVEMENT PROGRAM, INCLUDING THE RESOLUTION OF UNRESOLVED SAFETY ISSUES AND GENERIC ISSUES AND THE IMPLEMENTATION OF THE HUMAN FACTORS PROGRAM PLAN.

INSPECTION & ENFORCEMENT	ESTIMATE FY 1983	ESTIMATE FY 1984	ESTIMATE FY 1985
$(MILLIONS)	$69.3	$70.9	$74.8
PEOPLE	966	996	990

THE INSPECTION AND ENFORCEMENT PROGRAMS SHOW A NET INCREASE OF 30 STAFF, PRIMARILY FOR INSPECTION ACTIVITIES ASSOCIATED WITH THE INCREASING NUMBER OF REACTORS IN OPERATION. THE BUDGET REQUEST ALLOWS FOR INCREASED EMPHASIS IN QUALITY ASSURANCE (QA) INSPECTION IN RESPONSE TO CONCERN ABOUT THE QUALITY OF THE DESIGN AND CONSTRUCTION OF NUCLEAR PLANTS.

THE NRC RESIDENT INSPECTOR PROGRAM IS FULLY OPERATIONAL. EACH SITE WITH AN OPERATING REACTOR HAS AT LEAST ONE RESIDENT INSPECTOR ASSIGNED. LIKEWISE, EACH SITE WITH A REACTOR UNDER ACTIVE CONSTRUCTION THAT IS AT LEAST 15 PERCENT COMPLETE HAS A CONSTRUCTION RESIDENT INSPECTOR ASSIGNED.

REQUESTED RESOURCES FOR EMERGENCY PREPAREDNESS ACTIVITIES REMAIN ESSENTIALLY LEVEL IN FY 1984. FUNDING INCREASES IN FY 1985 TO PROVIDE TECHNICAL SUPPORT FOR THE ANNUAL REVIEWS OF AN INCREASED NUMBER OF OPERATING REACTORS. THE NRC WILL CONTINUE TO EVALUATE ANNUAL EMERGENCY PREPAREDNESS EXERCISES CONDUCTED AT OPERATING REACTOR SITES. WE WILL ALSO CONTINUE TO VERIFY THAT UPGRADED EMERGENCY RESPONSE FACILITIES, COMMUNICATIONS SYSTEMS, AND PROCEDURES HAVE BEEN INSTALLED AT NUCLEAR FACILITIES.

THE BUDGET REQUEST FOR FY 1984 INCLUDES $1 MILLION FOR DEVELOPMENT OF A NUCLEAR DATA LINK. AN ADDITIONAL $4 MILLION IS REQUESTED FOR FY 1985. A NUCLEAR DATA LINK PROTOTYPE PROGRAM DESCRIPTION HAS BEEN DEVELOPED TO ALLOW THE NRC TO EVALUATE THE CAPABILITY OF THIS APPROACH TO PROVIDE THE INFORMATION NEEDED TO CARRY OUT THE NRC'S EMERGENCY ROLE.

MATERIALS SAFETY & SAFEGUARDS	ESTIMATE FY 1983	ESTIMATE FY 1984	ESTIMATE FY 1985
$(MILLIONS)	$35.7	$36.3	$35.7
PEOPLE	314	306	304

THE NUCLEAR MATERIALS SAFETY AND SAFEGUARDS PROGRAM ESSENTIALLY REMAINS LEVEL WITH ONLY A SLIGHT DECREASE OF 8 STAFF. WASTE MANAGEMENT AND SAFEGUARDS ACTIVITIES CONTINUE TO RECEIVE MAJOR SUPPORT. A SIGNIFICANT STEP WAS TAKEN TO IMPROVE COMMUNICATIONS BETWEEN OUR STAFF, MILL LICENSEES, AND STATES WITH MILLING OPERATIONS WITH THE RELOCATION OF OUR URANIUM RECOVERY LICENSING STAFF TO A FIELD OFFICE IN DENVER, COLORADO. THIS OFFICE, WHICH WILL WORK UNDER THE SUPERVISION OF THE NRC REGION IV OFFICE IN DALLAS, IS LOCATED NEAR THE HEARTLAND OF URANIUM MINING AND MILLING OPERATIONS.

OUR BUDGET CONTAINS FUNDS TO COMPLETE THE DEVELOPMENT OF AN AUTOMATED DATA SYSTEM SUPPORTING OUR MATERIALS LICENSING ACTIVITIES. THIS SYSTEM SHOULD SIGNIFICANTLY INCREASE OUR EFFICIENCY IN HANDLING A LARGE FLOW OF APPLICATIONS -- APPROXIMATELY 1000 PER YEAR -- ASSOCIATED WITH THIS ACTIVITY.

RESEARCH	ESTIMATE FY 1983	ESTIMATE FY 1984	ESTIMATE FY 1985
$(MILLIONS)	$209.5	$199.7	$193.3
PEOPLE	275	250	245

OUR BUDGET REQUEST FOR NUCLEAR REGULATORY RESEARCH SHOWS REDUCTIONS IN BOTH STAFFING AND FUNDING. THE $9.8 MILLION NET REDUCTION IN FUNDING IS MAINLY THE RESULT OF TERMINATION OF THE LOFT PROGRAM FUNDING THROUGH NRC. THE REDUCTION OF 25 STAFF IS PRIMARILY ASSOCIATED WITH COMPLETION OF THE DEVELOPMENT OF SOME STANDARDS, GUIDES AND REGULATIONS.

THE BUDGET INCLUDES RESOURCES FOR CONTINUED RESEARCH ON THE PREVENTION AND MITIGATION OF ACCIDENTS WHICH COULD LEAD TO SEVERE CORE DAMAGE AS OCCURRED AT TMI. WE ALSO PLAN TO REASSESS THE RADIOACTIVE SOURCE TERM BASED ON IMPROVED CHARACTERIZATION BY A SYSTEMATIC ANALYSIS OF THE FISSION PRODUCT RELEASE AND TRANSPORT. SUPPORT IS CONTAINED FOR CONTINUING OUR EFFORTS TO EXPAND THE APPLICATION OF RISK ANALYSIS IN THE REGULATORY PROCESS, WHERE APPROPRIATE, WITH SPECIAL CONSIDERATION BEING GIVEN TO UNDERSTANDING THE UNCERTAINTIES ASSOCIATED WITH EXISTING RISK ASSESSMENT TECHNIQUES. FUNDING CONTINUES FOR RESEARCH RELATED TO PROVIDING A BASIS FOR EVALUATING THE RELIABILITY AND SAFETY MARGINS OF LIGHT WATER REACTOR COMPONENTS AND STRUCTURES, AND FOR APPLICATION OF HUMAN FACTORS ENGINEERING TO LESSEN THE POTENTIAL FOR THE HUMAN FACTOR TO DEGRADE SAFETY.

THE BUDGET REQUEST INCLUDES FUNDS FOR MODIFICATION OF AN INDUSTRY OWNED TEST FACILITY TO INVESTIGATE SMALL BREAK LOSS-OF-COOLANT ACCIDENTS IN BABCOCK AND WILCOX REACTOR CONFIGURATIONS. THE NEW PROGRAM IS PLANNED AS A JOINT EFFORT WITH INDUSTRY; SPECIFIC ARRANGEMENTS ARE NOW BEING EXPLORED. OVER THE LAST SEVERAL YEARS, THERE HAS BEEN AN INCREASE IN THE NUMBER OF COOPERATIVE RESEARCH PROJECTS. MANY OF THESE PROJECTS HAVE BEEN JOINTLY FUNDED BY NRC AND THE ELECTRIC POWER RESEARCH INSTITUTE PLUS VARIOUS COMBINATIONS OF REACTOR MANUFACTURERS, UTILITY OWNERS' GROUPS, UTILITIES, AND MANY FOREIGN COUNTRIES. NEW ARRANGEMENTS ARE BEING ACTIVELY PURSUED TO MAXIMIZE THE TECHNICAL AND COST BENEFITS FROM SUCH RESEARCH.

ADEQUATE RESOURCES HAVE ALSO BEEN INCLUDED FOR THE RESEARCH NECESSARY TO SUPPORT THE LICENSING DECISIONS FOR THE CLINCH RIVER BREEDER REACTOR.

PROGRAM TECHNICAL SUPPORT	ESTIMATE FY 1983	ESTIMATE FY 1984	ESTIMATE FY 1985
$(MILLIONS)	$27.1	$27.5	$27.5
PEOPLE	389	367	357

PROGRAM TECHNICAL SUPPORT INCLUDES THOSE OFFICES WHOSE MISSIONS INCLUDE SUPPORT OF LICENSING HEARINGS, OPERATIONAL EXPERIENCE ANALYSES OF OPERATING REACTORS AND FUEL FACILITIES, AND THE SAFETY AND SAFEGUARDS INTERFACE WITH STATE AND FOREIGN GOVERNMENTS. IT ALSO INCLUDES RESOURCES FOR A SEPARATE

ORGANIZATION FOR INVESTIGATIONS, WHICH WERE PREVIOUSLY A PART OF THE INSPECTION AND ENFORCEMENT PROGRAM. THIS NEW APPROACH WAS INITIATED LAST YEAR TO IMPROVE THE EFFICIENCY AND EFFECTIVENESS OF INVESTIGATIVE ACTIVITIES.

THE STAFF REDUCTIONS OF 22 IN PROGRAM TECHNICAL SUPPORT ARE CONSISTENT WITH THE DECREASES IN THE MAJOR PROGRAMS. THE INCREASE IN FUNDING FOR FY 1984 PROVIDES FOR ACCUMULATING PRIOR 1981 LICENSEE EVENT REPORTS INTO AN AUTOMATED DATA SYSTEM FOR SAFETY TREND ANALYSIS OF OPERATING REACTOR EXPERIENCE.

PROGRAM DIRECTION & ADMINISTRATION	ESTIMATE FY 1983	ESTIMATE FY 1984	ESTIMATE FY 1985
$(MILLIONS)	$39.4	$40.9	$41.6
PEOPLE	731	722	720

PROGRAM DIRECTION AND ADMINISTRATION CONSISTS OF OFFICES THAT VARY IN THEIR SPECIFIC FUNCTIONS BUT, IN GENERAL, PROVIDE OVERALL POLICY DIRECTION, RESOURCE ANALYSIS AND FINANCIAL MANAGEMENT, ADMINISTRATION AND LOGISTICAL SUPPORT FOR THE AGENCY. IN PRIOR BUDGET CYCLES WE HAVE INITIATED AND ACCOMMODATED STAFF REDUCTIONS THROUGH INCREASED EFFICIENCY INCLUDING CONSOLIDATION OF FUNCTIONS. IN FY 1984 THERE WILL BE A VERY SLIGHT STAFF REDUCTION -- 9 POSITIONS -- AS WE HAVE ABOUT REACHED THE LIMIT IN OUR ABILITY TO ABSORB REDUCTIONS IN PDA RESOURCES.

CONCLUDING REMARKS

AS I STATED LAST YEAR, I SEE THE PRESENT AND NEAR FUTURE AS A PERIOD OF TRANSITION FOR THE NUCLEAR REGULATORY COMMISSION. WE ARE MAKING A TRANSITION FROM AN EXTENDED PERIOD OF RAPID GROWTH TO ONE OF RELATIVE STABILITY AND CONSTRAINED RESOURCES.

I WOULD ALSO POINT OUT THAT THE AGENCY IS STILL WIDELY DISPERSED AROUND THE METROPOLITAN WASHINGTON AREA. AS EMPHASIZED IN PAST TESTIMONY, THIS SITUATION HAS ADVERSELY AFFECTED OUR ABILITY TO CARRY OUT OUR RESPONSIBILITIES IN AN EFFICIENT AND EFFECTIVE MANNER. BY PROLONGING THIS PROBLEM, RESOURCES ARE BEING UNNECESSARILY EXPENDED. THE COMMISSION IS HOPEFUL THAT THE EXECUTIVE BRANCH AND THE CONGRESS CAN PROVIDE A SOLUTION TO THIS PROBLEM AS SOON AS POSSIBLE.

THIS STATEMENT SUMMARIZES THE COMMISSION'S FY 1984 BUDGET REQUEST, INCLUDING THE RATIONALE FOR INCREASES OR DECREASES IN THE LEVEL OF FUNDING FOR THE MAJOR PROGRAM AREAS. THE ATTACHED TABLE PROVIDES A COMPARISON IN TERMS OF BOTH PEOPLE AND DOLLARS OF THE FY 1984 REQUEST WITH ACTUAL FY 1982 OBLIGATIONS AND FY 1983 ESTIMATES. THE DETAILS OF OUR BUDGET REQUEST ARE CONTAINED IN OUR BUDGET SUBMISSION, WHICH HAS ALREADY BEEN PROVIDED TO THE SUBCOMMITTEE.

THE COMMISSION HAS NOT REQUESTED ANY RESCISSIONS OR DEFERRALS. A SUPPLEMENTAL APPROPRIATIONS REQUEST FOR $3.47 MILLION HAS BEEN

INCLUDED IN THE PRESIDENT'S BUDGET, WHICH WAS SUBMITTED TO THE CONGRESS IN JANUARY 1983. IT WOULD COVER A PORTION OF THE INCREASED COST RESULTING FROM THE OCTOBER 1982 COST-OF-LIVING PAY ADJUSTMENT FOR FEDERAL WORKERS.

FINALLY, THE COMMISSION WILL BE SUBMITTING TO THE CONGRESS IN THE NEAR FUTURE PROPOSED LEGISLATION TO AUTHORIZE APPROPRIATIONS FOR "SALARIES AND EXPENSES" OF $466.8 MILLION FOR FY 1984 AND $460.0 MILLION FY 1985.

THIS COMPLETES THE COMMISSION'S PREPARED STATEMENT, WHICH WE BELIEVE IS RESPONSIVE TO THE QUESTIONS ASKED IN YOUR LETTER OF FEBRUARY 7, 1983. IF THE COMMITTEE HAS ANY FURTHER QUESTIONS REGARDING THE COMMISSION'S BUDGET REQUEST, WE WOULD BE MORE THAN PLEASED TO ANSWER THEM.

Table 1

FISCAL YEAR 1984 PRESIDENT'S BUDGET--PROGRAM LEVEL BREAKOUT

Summary data	Actual fiscal year 1982	Estimate fiscal year 1983	Estimate fiscal year 1984	Change
REACTOR REGULATION:				
$(Thousands)...............	$ 87,543	$ 94,380	$ 91,490	$-2,890
People.....................	738	748	730	-18
INSPECTION & ENFORCEMENT:				
$(Thousands)...............	$ 59,544	$ 69,280	$ 70,910	$+1,630
People.....................	959	966	996	+30
MATERIALS SAFETY & SAFEGUARDS:				
$(Thousands)...............	$ 37,347	$ 35,650	$ 36,280	$ +630
People.....................	326	314	306	-8
RESEARCH:				
$(Thousands)...............	$220,287	$209,500	$199,740	$-9,760
People.....................	276	275	250	-25
PROGRAM TECHNICAL SUPPORT:				
$(Thousands)...............	$ 24,205	$ 27,050	$ 27,520	$ +470
People.....................	379	389	367	-22
PROGRAM DIRECTION & ADM.:				
$(Thousands)...............	$ 37,551	$ 39,410	$ 40,860	$+1,450
People.....................	790	731	722	-9
Total $(Thousands)	$466,477	$475,270	$466,800	$-8,470
Total people	3,468	3,423	3,371	-52

Information Required for
Jim Curtis, Staff Director
Senate Subcommittee on Nuclear Regulation

1. Q. How many new operating nuclear power plants do you project over the next three to four years?

   A. By the end of FY 1986, it is probable that about 40 new plants will be operating.

2. Q. How many contractor personnel are currently involved in the LOFT test facility? How many resources in FY 1983 will be expended on interpreting results from LOFT tests performed prior to FY 1983?

   A. In FY 1982 the LOFT contractor (EG&G-Idaho) expended a total of 446 man-years on LOFT work of which 185 was direct LOFT project personnel. In FY 1983 they expect to expend a total of 298 man-years of which 140 would be direct.

   The LOFT contractor expects to expend about $900,000 (8 staff-years) in FY 1983 on analysis of data from NRC sponsored tests conducted in prior years.

3. Q. What is NRC's estimate of staff and dollars in support of source term for FY 1982 - FY 1985?

   A. The NRC source term definition effort consists of tasks in the areas of: behavior of damaged fuel, containment loading sources, fission product source term, and source term risk analysis. The total expected expenditures for these tasks for fiscal years 1982, 1983, 1984, and 1985 are: $34.0M, $44.8M, $41.5M, and $37.8M respectively, and 19 staff per year.

4. Q. Please indicate a dollar breakout of the categories of activities that make up the $43.9 million Accident Evaluation and Mitigation decision unit in the NRC FY 1984 budget.

A. The majority of the funds requested for the Accident Evaluation and Mitigation decision unit in FY 1984 are in support of the source term effort. This research on behavior of damaged fuel, containment loading and fission product source term accounts for $39.1M in FY 1984. Additional research to perform severe accident sequence analysis ($3.2M) and analysis of improved safety systems ($1.6M) make up the remainder of the effort under this decision unit.

5. Q. What is NRC's general estimate of when WNP-2 in the State of Washington will be ready for an operating license?

A. We expect that the WNP-2 plant should be ready for an operating license in early FY 1984.

6. Q. What funds are required in FY 1984 and FY 1985 for SEP and NREP?

A. The funds required are $4.8 million in FY 1984 and $5.2 million in FY 1985.

7. Q. What are the staff and funding requirements to support the CRBR in FY 1984? What would NRC do with these resources in the event the CRBR is cancelled?

A. Approximately $7.9M and 11 staff-years are included in the NRR and RES budget in FY 1984 to support the CRBR. In the event the CRBR is cancelled the staff would be used to accelerate the technical reviews necessary to accomplish operating reactor licensing actions (e.g., amendments, orders, petitions, hearings, fuel reloads and multi-plant issues) and to develop technical positions on generic issues that relate to the safety and environmental aspects of nuclear power plant design, construction or operation. The funds would be used to further develop and maintain a base program of safety technology for LMFBRs that is consistent with the Administration's national program of development.

In addition to the resources for CRBR in RES and NRR, there are approximately ten staff-years for inspections and hearings that would be redirected to their regular ongoing inspection and legal functions.

8. Q. What would be the resource impact on NRC if DOE accelerates its HLW site characteristic program by approximately 18 months?

A. We will provide the answer during the week of February 21 in as much as DOE/NRC are currently in the process developing a new schedule.

9. Q. Please provide a chart which illustrates the inflation impact on NRC budget for FY 1981. Use FY 1981 constant dollars as the measure of inflation.

A. Attached.

10. Q. Please provide a copy of NRC's reprogramming requests submitted to the Congress in fiscal years 1980, 1981, and 1982.

A. Attached.

11. Q. How many hours of routine (scheduled) and reactive (unscheduled) inspection effort were expended in FY 1982 for reactors under construction and reactors in operation?

A. Routine inspections are scheduled as part of the routine inspection program in the IE Manual. Routine inspections can be unannounced or announced. Reactive inspections are unscheduled and generated because of an unforeseen event, allegation, or incident. The following table provides the number of direct routine and reactive inspection hours, primarily on-site, for reactors under construction and operating reactors:

	Reactors Under Construction	Operating Reactors	
		Power	Non-Power
Routine	76,969	88,636	1,613
Reactive	15,700	31,967	106
Total	92,669	120,603	1,719

12. Q. What is the current status of NRC's review of applications for spent fuel storage? Specifically, what is the status of:

(a) Applications for independent spent fuel storage facilities?

A. One application under NRC's 10 CFR Part 72 for storage in an independent spent fuel storage installation (ISFSI) has been filed by Virginia Electric and Power Company (VEPCO). VEPCO has applied for dry cask storage at its Surry site, but did not identify the specific cask(s) that it plans to use. Detailed safety and environmental reviews of site specific aspects have been initiated, but VEPCO must supplement its application to integrate the specific cask(s) selected for its storage and handling system. The target for a license decision on the VEPCO application, assuming acceptance of pending topical reports, is late 1983.

(b) Topical reports for dry casks?

A. Topical reports for dry spent fuel storage casks have been submitted by Combustion Engineering, Inc., (CE) and Gesellschaft fuer Nuklear Service, mbH (GNS, a West German firm). Additional topical reports for dry cask designs are expected to be submitted in 1983 by Ridihalgh, Eggers and Associates, Transnuclear, Inc. and GNS and in 1984 by Nuclear Assurance Corporation. The report submitted by CE has been examined for completeness and technical adequacy. Reviewers' comments are being compiled and will be sent to CE. A meeting has been scheduled, tentatively for the end of February, to discuss these with CE staff.

The initial GNS topical report was examined for completeness and technical adequacy. Comments were sent to GNS on September 9, 1982. GNS staff originally expected to revise its report and resubmit it in December 1982 but was delayed in doing so. A draft revision has been prepared by GNS, and was the subject of a meeting with NRC staff on February 9, 1983. It was mutually agreed that GNS will formally submit this revised report by March 1, 1983. As indicated above, GNS plans to submit a second topical report this year for a more advanced cask design.

(c) Development of generic criteria and standards for dry cask design, fabrication and use.

A. Development of generic criteria and standards for dry cask design, fabrication and use is being examined by NRC's Office of Nuclear Materials Safety and Safeguards (NMSS) staff. These generic criteria and standards will be derived from NMSS review experience gained in evaluating topical reports on cask designs and licensing applications, including Department of Energy (DOE) licensed dry cask demonstrations. Additionally, DOE research and development on dry cask storage in concert with industry and NRC dry storage research efforts will also assist the development of generic criteria and standards. These will then be organized into a report providing the basis for development of a proposed amendment to 10 CFR Part 72 to provide for generic approvals of cask designs and minimize site-specific reviews to the extent practicable. Based on present schedules for review of topical reports and license applications, rule development is expected to be initiated in FY 1984.

13. Q. For the reactor operator and senior reactor operator examinations administered in FY 1982, what percent of applicants passed the examination?

A. The following table identifies the percent of applicants passing written, oral and simulator examinations in FY 1982 for reactor operator (RO) and senior reactor operator (SRO) licenses:

	Written	Oral	Simulator
RO	84.4%	91.0%	92.9%
SRO	87.9%	94.4%	91.0%

NRC Budget History In FY 1981 Constant Dollars
(Dollars In Millions)

Fiscal Year	Support		Personnel		Total Funding	
	Actual Funding	Funding Adjusted to FY 1981 Constant $	Actual Funding	Funding Adjusted to Exclude Pay Raise	Actual	Adjusted
1981	$324.7	$324.7	$127.8	$127.8	$452.5	$452.5
1982	326.4	313.8 (4%)	139.3	133.8	465.7	447.6
1983	328.7	306.9 (3%)	149.2	140.1	477.9	447.0
1984	321.0	290.9 (3%)	145.8	136.8	466.8	427.7
1985	316.1	278.2 (3%)	143.9	135.0	460.0	413.2

Response to Question 10

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

OFFICE OF THE
CHAIRMAN

April 26, 1979

The Honorable Morris K. Udall, Chairman
Committee on Interior and Insular Affairs
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In January 1979, we forwarded to you our planned use of FY 1978 unobligated funds for FY 1979 priority programs and solicited your approval. We indicated that these funds provided for some of the Congressionally-directed initiatives. We also mentioned that we were in the process of performing an agency-wide assessment of our programs toward continuing support of Congressionally-directed initiatives and to accommodate changes in program requirements that have evolved since our budget was sent to the Congress a year ago.

This letter is to inform you that we have completed such an assessment and to request your approval of the necessary reprogramming of resources that we have indicated in the enclosures.

For your information, Enclosure 1 identifies Congressional initiatives described in NRC's FY 1979 Authorization Act and legislative history and NRC's proposed actions to support these initiatives. You will note that, in some instances, we propose somewhat less effort than the Congress identified. This is due in part to our limited ability to match our FY 1979 appropriations availability with authorization program direction. In other cases, it results from updated changes in policy affecting certain programs. An example is the Administration's decision in conjunction with the FY 1980 budget to no longer support a national gas reactor program (HGTR).

In accordance with your procedures on reprogramming, we are providing you with our initial Base Table for FY 1979 with explanations for the funding changes identifying those that require your approval. Some of these adjustments were identified in the letter you received on our planned use of FY 1978 unobligated funds. We appreciate your early consideration of these proposed reprogrammings.

Also, it should be noted that the Commission is now in the midst of a review of the impact on FY 1979 and subsequent years of the accident at Three-Mile

Island Unit 2. It is estimated that it will take several weeks to complete a comprehensive assessment of the fiscal impact. The results of our review may necessitate proposing additional reprogramming actions in FY 1979. The NRC will keep Congress apprised of the progress of our review.

Sincerely,

Original Signed by
Joseph M. Hendrie

Joseph M. Hendrie
Chairman

Enclosures:
As stated

cc: Rep. Steven Symms
Rep. Don Clausen

IDENTICAL LETTERS SENT TO:

The Honorable Tom Bevill, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

cc: Rep. John T. Myers

The Honorable J. Bennett Johnston, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510

cc: Sen. Mark O. Hatfield

The Honorable Jennings Randolph, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

cc: Robert T. Stafford

The Honorable John D. Dingell, Chai
Subcommittee on Energy and Power
Committee on Interstate and Foreign
Commerce
United States House of Representati
Washington, D.C. 20515

cc: Rep. Clarence J. Brown

Chrmn (2)

Ref: SECY-79-53A

Chairman & Commissioners have concurred in these letters (Ref. Memo frm. Barry to Chmn & Commission dtd. 4/20/79)
(First [illegible])

OFFICE ▶	DB/CON	DB/CON	OCA	OCM ~~ELD~~	SECY	OGC
SURNAME ▶	RShumway	BCooper	CKammerer	WDorie	E.J.McGregor	[illegible]
DATE ▶	4/ /79	4/ /79	4/ /79	4/ /79	4/24/79	[illegible]

NRC FORM 318 (9-76) NRCM 0240 ☆ U.S. GOVERNMENT PRINTING OFFICE: 1979 — 620-624

NOTE* This was the distribution on SECY-79-53 & 79-53A

bcc: Cummings, IA
Chilk, SECY
Kenneke, PE
Bickwit, GC
Fouchard, PA
Kammerer, CA (3)
Cornell, DEDO
Rehm, AEDO
Donoghue, ADM
Barry, CON
Shapar, ELD
Haller, MPA
Shea, IP
Ryan, SP
Tucker, EEO
Minogue, SD

Denton, NRR
Dircks, NMSS
Davis, IE
Levine, RES
Carbon, ACRS
Yore, ASLBP
Rosenthal, ASLAP
Gossick, EDO
EDO/MR
Cooper CON/B
Triner, CON/RPE
Puglise, CON/A
Shumway, CON/B
Monaco, CON/B
Stumbaugh, CON/B
Beckwith, CON

All Budget Examiners
All RPE Analysts
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Enclosure 1

U. S. NUCLEAR REGULATORY COMMISSION

FY 1979 BUDGET

Proposed Status of Congressional Initiatives Authorized

	Program	People	Program Support Amount
Initiative:	NRR	35 added	-0-

To expedite the processing of reactor licensing applications and resolution of unresolved generic safety problems.

NRC's Proposed Program:	NRR	15 added	$ 900K

With no increase in positions above NRC's original request provided by the Appropriation Act, we have reprogrammed 15 positions from lower priority areas. We are continually reviewing staff positions for reallocation to this high priority effort without disrupting other programmatic effort, however the FY 1980 President's budget requests an additional 85 positions. The $900K increase in contractual support (requested to be programmed from prior year unobligated balance carry-over) will provide contractor assistance to the NRR staff to deal with licensing action on operating plants.

Initiative:	NRR	18	$ 1,200K

Advanced Reactor Efforts

NRC's Proposed Program:	NRR	10	$ 1,030K

The Commission believes that the Congressional initiative can be met by expending only $1,030,000 in contractual support and not requiring any additional positions. This is based on projected fuel cycle alternatives, other advanced reactor concepts forecasted to be submitted by DOE, resources necessary to monitor the operation of Fort St. Vrain (HTGR) and the current forecast of no HTGR pre-application review being required in FY 1979 or FY 1980. It is requested that the authorized funding for this effort be reduced to NRC's proposed program.

Initiative:	SD	-0-	$ 650K

Low-level radiation activities

NRC's Proposed Program:	SD	-0-	$ 650K

This initiative represents a $500K increase above the appropriated amount. These funds have been reprogrammed from other areas within Standards Development for this effort.

	Program	People	Program Support Amount
Initiative:	NMSS	47	$ 5,965K

Nuclear Waste Disposal and Management Activities

NRC's Proposed Programs:	NMSS	48	$ 8,715K

This initiative represents a 10 position and $840K in program support increase above the appropriated amounts. Funding in the amount of $2,690K has been reprogrammed to provide increased resources. Of this amount, $1,650K comes from prior year unobligated balances, 840K has been reprogrammed from other areas within NMSS, $800K has been reprogrammed from the RES and NMSS safeguards program, and $300K from RES Systems Engineering program.

Initiative:	NMSS	4 added	$ 165K

To increase the ability of NMSS to participate in activities related to safeguarding nuclear exports.

NRC's Proposed Program:	NMSS	2 added	$ 210K

This initiative represents a 4 position increase above the appropriated amount. Of the 4 positions, 2 were to be directed to the effort of strengthening IAEA Safeguards and 2 were for more expeditious implementation of the US/IAEA Safeguards Agreement. The Senate has yet to ratify the US/IAEA Safeguards Agreement, therefore, the additional positions for this effort are not needed. With regard to the 2 positions for strengthening international safeguards, a recent reorganization within the Division of Safeguards, reflects a level of effort for this area consistent with the Congressional intent.

Initiative:	RES	-0-	$ 1,500K

Implementation of the Improved Safety Systems Research plan.

NRC's Proposed Program:	RES	1	$ 800K

This initiative represents a $1.5 million increase above the appropriated amount. The $800K will be used to initiate efforts to evaluate alternate containment concepts, evaluate alternate decay heat removal systems, and development of improvement to value/impact methodology in order to better quantify assessment of proposed improved safety concepts. $400K has been reprogrammed from Safeguards research and the remaining $400K is being provided from prior year unobligated balance carry-over. Although this effort is $0.7 million below the authorized amount, the Commission believes that additional funds in FY 1979 for this effort could not be used effectively, particularly in view of the Administration allowance for only $1.0 million being requested in NRC's FY 1980 budget.

It is requested that the Authorized funding for this effort be reduced to $800,000 for program support.

	Program	People	Program Support Amount
Initiative:	RES	7	$ 4,100K
Nuclear Waste Research activities			
NRC's Proposed Program:	RES	8	$ 4,450K
This program will accommodate the Congressional initiative on Waste Research.			
Initiative:	RES	15	$18,000K
Advanced Reactor " ... including $3,900,000 to accelerate the effort in gas cooled thermal reactor safety research".			
NRC's Proposed Program:	RES	15	$16,200K

This initiative represents $1.0 million for gas and $1.5 million for advanced reactor research above the appropriated amounts. It is requested of the Committees that no additional funds be applied to gas reactors. The current forecast is that there will be no applications in FY 1979 for gas reactors. Also, in FY 1980, the Administration has decided not to pursue a national HTGR program.

complete testing

A total of $0.8 million is being added to advanced converters. This $0.8 million comes from prior year unobligated balances. These funds will be primarily used for review and evaluation of NASAP/INFCE reactor and fuel cycle concepts and follow-on alternative technologies. The Commission believes that additional funds could not be used effectively during FY 1979.

It is requested that the authorized funding for both these efforts be reduced to $16,200,000 for program support.

Initiative:	PDA	4	$ 20K
Equal employment opportunity activities			
NRC's Proposed Program:	PDA	3	$ 20K

The Commission is reviewing staffing positions for allocation to this effort. The Commission's FY 1980 budget provides for 4 positions for this activity. When the review is completed, the Committees will be notified of the results.

	Program	People	Program Support Amount
Initiative:	ALL	$1000K[1]	
Studies and analysis of alternative fuel cycles			
NRC's Proposed Program:	RES	5	$ 800K

This effort is described under the Advanced Reactors initiative for the RES program. It is requested that the authorized amount for this effort be reduced to $800,000 for program support because the Commission believes that additional funds could not be used effectively during FY 1979.

[1] This initiative was for a total of $1,000,000 for people costs and program support.

INFCE — international working group to study other than plutonium fuel cycles (proliferation matters)

U. S. NUCLEAR REGULATORY COMMISSION
INITIAL BASE TABLE FOR FY 1979
(Dollars in Thousands)

Program	Pres. Budget	Congr. Adjust.	Budget Approp. By Congress	Prior Yr. Commit. & Compar. Adjusts. a/	Programm. Adjust. b/	Revised Base
Nuclear Reactor Regulation:						
Technical Projects	$ 5,800	$ -800	$ 5,000	$ -528	$ -154	$ 4,318
Advanced Reactors	850	+500	1,350	-	-320	1,030
All Other 1/	39,360	-920	38,440	+288	+2,185	40,913
Subtotal	$ 46,010	$ -1,220	$ 44,790	$ -240	$ +1,711	$ 46,261
Standards Development: 1/	$ 14,480	$ -135	$ 14,345	$ -	$ -	$ 14,345
Inspection and Enforcement:						
Fuel Facilities & Material Safeguards	$ 565	$ -100	$ 465	$ +926	$ -	$ 1,391
	1,520	-100	1,420	-300	-126	994
All Other 1/	36,675	-530	36,145	-271	+126	36,000
Subtotal	$ 38,760	$ -730	$ 38,030	$ +355	$ -	$ 38,385
Nuclear Material Safety and Safeguards:						
Transportation	$ 750	$ -300	$ 450	$ -	$ -240	$ 210
International Safeguards	90	+75	165	-	+45	210
All Other 1/	25,760	-235	25,525	-450	+2,688	27,763
Subtotal	$ 26,600	$ -460	$ 26,140	$ -450	$ +2,493	$ 28,183

Enclosure 2

	Pres. Budget	Congr. Adjust.	Budget Approp. By Congress	Prior Yr. Commit. & Compar. Adjusts. a/	Programm. Adjust. b/	Revised Base
Nuclear Regulatory Research:						
Systems Engineering	$ 35,600	$ -2,370	$ 33,230	$ -1,500	$ +1,692	$ 33,422
Code Development	9,900	-900	9,000	-	+330	9,330
Fuel Behavior	22,800	-300	22,500	-	-1,672	20,828
Primary Systems Integrity	8,400	-800	7,600	-	+800	8,400
Advanced Converters	2,400	+500	2,900	-	+800	3,700
Safeguards	6,200	-200 -600	6,000 5,600	-	-1,000 -600	5,000
Risk Assessment	3,400	-400	3,000 3,400	-	+1,400 +1,000	4,400
All Other 1/	74,770	-145	74,625	+1,500	-2,080	74,045
Subtotal	$163,470	$ -4,615	$158,855	$ -	$ + 270	$159,125
Program Technical Support: 1/	$ 13,400	$ -476	$ 12,924	$ -	$ -	$ 12,924
Program Direction and Administration: 1/	$ 27,950	$ -733	$ 27,217	$ +1,191	$ -564	$ 27,844
Total New Obligational Authority	$330,670	$ -8,369	$322,301	$ +856	$ +3,910	$327,067
Unobligated Balance Carryover	$ -	$ -	$ 4,805	$ -856	$ -3,910	$ 39
TOTAL OBLIGATIONAL AVAILABILITY	$330,670	$	$327,106	$ -	$ -	$327,106

1/ Includes the following items which received a specific reduction by Congress, but not applied by Congress to specific programs:

	Pres. Budget	Congr. Adjust.	Budget Approp. By Congress	Prior Yr. Commit. & Compar. Adjusts. a/	Programm. Adjust. b/	Revised Base
Per. Comp. & Bene.	$ 91,760	$ -894	$ 90,866	$ -	$ -	$ 90,866
Administrative Support	$ 31,940	$ -900	$ 31,040	$ +991	$ -	$ 32,031
Travel	$ 6,780	$ -290	$ 6,490	$ -	$ +230	$ 6,720

a/ b/ See following pages for explanation of changes.

a. Explanation of changes included in the "Prior Year Commitments and Comparabilit Adjustments" Column:

1. NRR — Technical Projects — $ -528,000

Realignment of budget structure so that execution coincides with formulation. Changes in formulation were brought about by ZBB.

2. NRR — All Other — $ +288,000

This is a net amount of the $+528,000 and a $-240,000 transferred to the Office of Administration (PDA) for training. In the formulation of the FY 1980 budget the Executive Director for Operations directed that the funding for training, excluding specialized training for inspectors be consolidated within the Office of Administration for better management of common training needs.

3. IE — Fuel Fac. & Mat'l — $ +926,0[illegible]
IE — Safeguards — $ -300,0[illegible]

Realignment of budget structure so that Congressional budget program elements coincide with IE programs/organizations.

4. IE — All other — $ -271,000

This is a net amount of a $-626,000 for realignment of budget structure, a $-45,000 transferred to the Office of Administration (PDA) for training, and a $+400,000 from unobligated balance carry-over to provide funding for commitments made in FY 1978 for the Revised Inspection Program.

5. NMSS — All other — $ -450,000

This item is for the Nuclear Materials Management and Safeguards ADP system and completes the transfer of all ADP funds which are being consolidated within the Office of Administration.

6. RES — Systems Engineering — $ +1,500,000
RES — All other — $ -1,500,000

To consolidate the management of the seismic research work within the Site Technology and Engineering program.

7. PDA — All other — $ +1,191,000

The transfer of training funds from NRR ($240,000) and IE ($45,000) and the transfer of ADP funds from NMSS ($450,000) to the Office of Administration. In addition, $456,000 was provided from unobligated balance carry-over to provide funding for commitments made in FY 1978 on three contracts that did not get signed until FY 1979.

b. Explanation of changes included in the "Programmatic Adjustments" Column:

1. NRR Technical Projects $ -154,000

The Appropriation Act added $500,000 to Advanced Reactors for gas work without a compensating increase in the total program. This requires a $500,000 reduction to high priority programs such as Operating Reactors, Safeguards and Casework. This reduction is being used to fund these high priority programs.

2. NRR Advanced Reactors $ -320,000 1/ 2/

The NRC believes that the Congressional initiative for work on gas reactors can be met at an Advanced Reactor funding level of $1,030,000, rather than the level of $1,350,000 provided by the Appropriation Act. This is based on the current forecast that there will be no HTGR applications submitted for review in either FY 1979 or FY 1980. These funds are to be used to fund the high priority programs of Operating Reactors, Safeguards and casework. These funds combined with item 1 above will fund these programs at the level requested in the President's FY 1979 budget.

3. NRR All other $ +2,185,000 1/ 2/

In a January 23, 1979 letter to the Committees, the Commission identified $1,060,000 of this increase. The remaining increase is made up of the following two items; (1) a $+474,000 to fund the high priority activities mentioned in 1. above and (2) a $+651,000 which represents the transfer of 15 positions from lower priority areas (PDA-12, RES-3) to decrease the backlog in operating reactor licensing amendments and to augment the current staf in order to maintain licensing review schedules, primarily operating licenses

4. IE Safeguards $ -126,000
All other $ +126,000

These adjustments reflect several minor changes to reflect more precise contract cost estimates.

5. NMSS Transportation $ -240,000

Low priority effort eliminated so that funds can be used primarily for high priority waste management efforts.

6. NMSS International Safeguards $ +45,000

For IAEA effort. Offsetting reduction to Safeguard licensing due to reduction in environmental impact statement technical assistance.

7. NMSS ALL OTHER $2,688,000 1/ 2/

This adjustment is the net of the following items: (1) the transfer from Transportation ($240,000) discussed above, (2) the addition of one position ($43,000) to the spent fuel storage area transferred from PDA, (3) the transfer of $45,000 to International Safeguards, (4) the use of $1,650,000 from unobligated balance carry-over for the Waste Management Program ($650,000 of this amount was included in the Commission's January 23, 1979 letter to the Committees), (5) the reprogramming of $500,000 from the RES Safeguards program and (6) $300,000 from the RES LoFT ~~System Engineering~~ program.

Since the January 23, 1979 reprogramming request, an additional $2,100K is being reprogrammed to Waste Management which will allow NMSS to begin studies of domed salt and basalt in two of three principal study areas -- planned for an early FY 1979 start, have been deferred pending additional funds. The increased funding would also allow NMSS to proceed with the effort previously planned. This study was initiated in FY 1979 at a reduced funding level pending receipt of additional funds. It only considers bedded salt, and we must make further progress in this study before we consider the medias of domed salt and basalt.

8. RES Systems Engineering $ +1,692,000 1/

This additional funding is needed for the international 3-D program. The 3-D budget estimates for FY 1979 were prepared in 1977 prior to the discussions of detailed program requirements during meetings with Japanese and German officials in September and November 1977 and in April and June 1978. The reasons for the increased estimates for FY 1979 are the following:

a. The scope of the program has been better defined the past year. The number of advanced two-phase flow and level instruments to be provided by NRC for installation in the German and Japanese facilities has increased in the process of developing specific measurement requirements needed to experimentally support code confirmation. Part of the increase in instrumentation also resulted from the increase in the Japanese slab core test program from one to three cores. Instrumentation requirements for both the cylindrical core test facility and the PKL test program increased. For example, the number of liquid level detectors needed to follow liquid penetration and accumulation in the JAERI cylindrical core test facility in order to provide measurement to support code analysis increased. Turbine meters were added to PKL and a decision was made to insert a number of impedence and film probes into the PKL facility for checkout and development testing.

b. The previous preliminary cost estimates for FY 1979 were prepared in mid-1977 prior to the facility designs. Since September 1977, detailed specifications have been prepared covering the measurement requirements and detailed cost estimates for design, development and fabrication of the instruments have been prepared by LASL, INEL and ORNL. The more detailed cost estimates have been higher than NRC originally used due to the increased number of instruments discussed above and increased cost estimated by the laboratories for development and fabrication.

c. The need for continuous liaison support by locating resident engineers at the German and Japanese facilities became evident during the past year. Engineers and scientists fluent in German and Japanese along with research and test facility experience are not readily available within the NRC for assignment overseas. Therefore, contractor employees are to be assigned to those countries. The budget estimates thus had to be increased to provide for continued funding of contractor liaison support throughout the program.

These funds are being programmed from the LOFT program. The reduction in the LOFT budget is being accommodated by deferring some work and some fuel procurements from FY 1979 to FY 1980 as shown below.

a. Defer Procurement of Spare Fuel	$2,200,000
b. Defer Installation of Particlate Filters in Primary Coolant System	300,000
c. Defer "Hot Spot" Primary System Contamination Study and Installation of Shielding	200,000
d. Defer Installation of Permanent Off Gas System above Reactor Vessel Head and Other Decontamination Equipment	400,000
	$3,100,000

Items b, c, and d pertain to work needed for plant decontamination in the event that fuel were to fail during a test and radioactivity would thereby get into the primary coolant. No fuel failed in the first nuclear test and it is not expected that there will be fuel failure in the next two nuclear tests. In the event there are some fuel failures, however, there are temporary measures that can be taken to decontaiminate the plant without the equipment above, although additional time would be required.

Item a. refers to deferring the ordering of spare fuel from FY 1979 to FY 1980. At the present time, there is on site a complete core (Reload Core 1), one spare central contract for two additional central bundles per year.

In FY 1979, our plan is to order one complete core (Reload 2) two additional central bundles and two spare peripheral bundles, all for delivery in FY 1981. The FY 1979 fuel order carries with it the option for ordering additional fuel bundles if we feel they would be needed to meet the test schedule. Based on the results of the first nuclear test, we believe it will not be necessary to exercise this option in FY 1979 as previously planned. Instead, we will order Reloead Core 3 plus two central bundles and three bundles in early FY 1980.

9. RES

Code Development $+330,000 1/

The Congressional Appropriation Committee's reduction of RES request for FY 1979 resulted in a decrease of $900,000 in the Code Development decision unit. This reduction has been accommodated by a decrease in planned code testing and applications effort. It is proposed to reprogram $330,000 into the Code Development program to support work on codes requested by NRR for licensing audit calculations. Specifically, the request from NRR in 1979 to develop and apply reactor physics analysis computer programs had not been anticipated in preparing the code development budget. These funds are being reprogrammed from LOFT.

10. RES

Fuel Behavior $-1,672,000 1/

A fission product transport loop and associated tests are being deferred and research on measuring the transport of fission products from fuel to the containment building will continue at a reduced level of effort pending decision on an appropriate test scale. This is being accomplished in order to fund high priority activities in Risk Assessment. & [illegible]

11. RES

Primary Systems Integrity $+800,000 1/

The reason for this increase is to meet the needs of NRR user requests for information in the following areas:

- Reaction forces and impingement loads due to two-phase jets
- Dynamic analysis of pipe whip
- Susceptibility of stress corrosion cracking in Onconel-600 tubing
- Corrosion, denting and burst tests of a replaced steam generator
- Tearing instability concept as a criterion for fracture resistance of steels.

The requests for these high priority research tasks were all received after the FY 1979 budget was formulated, and it is necessary to reprogram funds from other areas, namely LOFT, to meet these needs.

12. RES Advanced Convertors $ +800,000

This item was included in the Commission's January 23, 1979 letter to the Committees.

13. RES Safeguards -600,000 ~~-1,000,000~~ 1/

This reduction is being accomplished by deferring low priority activities in order to ~~fund the Authorized new initiative in RES for Improved Reactor Safety to commence efforts on research projects in improved safety systems and~~ expanded efforts on the NMSS Waste Management program.

14. RES Risk Assessment +1,000 ~~$+1,400,000~~ 1/

This additional funding is for new efforts identified after the submission of the FY 1979 budget to Congress to directly support reactor licensing; efforts include the application of quantitative risk assessment techniques to categorize according to safety importance standard review plans, generic safety issues, technical specification amendments and exemptions. Also included is risk assessment in support of the review of older plants. These funds are being reprogrammed from the Fuel Behavior activity described above.

15. RES All Other $-2,080,000 1/

This adjustment is the net of the following items: (1) the reduction to LOFT of $3,100,000 as described in 8 above; (2) the use of $600,000 ($400,000 from unobligated balance carry-over as described in the Commission's January 23, 1979 letter to the Committees and $400,000 from ~~Safeguards~~) to fund the Congressional initiative for Improved Reactor Safety; (3) an increase to travel of $70,000 for the international 3-D program, the seismic response effort, piping integrity and in support of NRR generic issues. These programs require additional travel that wasn't contemplated at the time of submission of the FY 1979 President's budget, (4) the transfer of 3 positions to NRR ($130K); (5) an increase to Site Technology and Engineering of $300,000 to initiate work on an NRR research request to study the effects on combining seismic loads with LOCA loads on piping on plant structures (these funds are primarily from Fuel Behavior described above), and (6) other minor adjustments amounting to net decrease of $20,000.

16. PDA	All Other	$ -564,000[1/] [2/]

This decrease represents the transfer of 12 positions to NRR and one position to NMSS.

1/ Requires Appropriation Committees Approval.

2/ Requires Authorization Committees Approval.

JUN 13 1979

The Honorable J. Bennett Johnston, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

As you are aware, the Commission is heavily involved in assessing the implications of the recent event that occurred at the Three Mile Island (TMI) nuclear power plant. We have a sizable number of our staff diverted to TMI for both our own investigation and in support of Presidential and Congressional Committee efforts.

We have determined that our investigation must include a self-examination if it is to be fully objective in its findings. To assure such objectivity, we plan to contract with an independent, highly-qualified firm to lead our investigative effort. We believe it will enhance the credibility of the investigation. We will provide the firm whatever staff assistance it may require, but we will expect the firm to exercise its independent evaluation in reaching its findings and conclusions. We estimate the contract to cost about $450,000 and encompass a period of about six months. We plan to finance the effort with prior-year funds, which we have recently recovered as the result of contract closeouts.

We request your approval of this action.

Sincerely,

Original signed by
Joseph M. Hendrie

Joseph M. Hendrie
Chairman

cc: Sen. Mark O. Hatfield

See attached sheet for bcc distribution.

OFFICE ➤	CON	EDO	CHRM	OCA		
SURNAME ➤	LWBarry/epe	LVGossick	JMHendrie	CCKammerer		
DATE ➤	06/12/79	06/ /79	06/ /79	06/ /79		

Distribution to the Letters Dated JUN 13 1979 from Chairman Hendrie Addressed to:

The Honorable J. Bennett Johnston, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D. C. 20510

The Honorable Tom Bevill, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D. C. 20515

bcc: Chairman Hendrie (2)
Commissioner Gilinsky
Commissioner Kennedy
Commissioner Bradford
Commissioner Ahearne
Cummings, IA
Chilk, SECY (2)
Kenneke, PE
Bickwit, GC
Fouchard, PA
Kammerer, CA (2)
Gossick, EDO
Cornell, TMI Special Inquiry Group
Rehm, AEDO
Donoghue, ADM
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Shapar, ELD
Haller, MPA
Shea, IP
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Tucker, EEO
Minogue, SD
Denton, NRR
Dircks, NMSS
Stello, IE
Levine, RES
Carbon, ACRS
Lazo, ASLBP
Rosenthal, ASLAP
EDO M/R
Cooper, CON/B
Triner, CON/RPE
Puglise, CON/A
✓ Shumway, CON/B
Monaco, CON/B
Stumbaugh, CON/B
All Budget Examiners
All RPE Analysts
Beckwith, CON
Controller R/F
Budget Chron
Subject File

OFFICE OF THE
CHAIRMAN

The Honorable Morris K. Udall, Chairman
Committee on Interior and Insular Affairs
United States House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

On April 26, 1979, we forwarded to you our request for certain reprogramming actions. In our submission we indicated that the Commission was in the process of a review of the impact of the accident at Three-Mile Island Unit 2 and that the results of this review may necessitate additional reprogramming actions in FY 1979.

We have completed this review for FY 1979 and, as a result, additional reprogramming actions are proposed. The enclosure identifies those actions.

We request your early consideration and approval of the proposed actions.

Sincerely,

Joseph M. Hendrie
Chairman

Enclosure:
As stated

cc w/enclosure:
Rep. Steven Symms
Rep. Don Clausen

Letter with [illegible]
[illegible]
[illegible] to each
Committee

— Highlights of reprogramming [illegible]

Justification for reprogramming [illegible]

Identical Letters Sent To:

The Honorable Tom Bevill, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D. C. 20515

cc: Rep. John T. Myers

The Honorable J. Bennett Johnston, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D. C. 20510

cc: Sen. Mark O. Hatfield

The Honorable Jennings Randolph, Chairman
Committee on Environment and Public Works
United States Senate
Washington, D. C. 20510

cc: Sen. Robert T. Stafford

The Honorable John D. Dingell, Chairman
Subcommittee on Energy and Power
Committee on Interstate and Foreign Commerce
United States House of Representatives
Washington, D. C. 20515

cc: Rep. Clarence J. Brown

---

bcc w/enclosures:
Chairman Hendrie
Commissioner Gilinsky
Commissioner Kennedy
Commissioner Bradford
Commissioner Ahearne
Cummings, IA
Chilk, SECY
Kenneke, PE
Bickwit, GC
Fouchard, PA
Kammerer, CA
Gossick, EDO
Cornell, DEDO
Rehm, AEDO

Donoghue, ADM
Barry, CON
Shapar, ELD
Haller, MPA
Shea, IP
Ryan, SP
Tucker, EEO
Minogue, SD
Denton, NRR
Dircks, NMSS
Davis, IE
Levine, RES
Carbon, ACRS
Lazo, ASLBP

Rosenthal, ASLAP
EDO M/R
Cooper, CON/B
Triner, CON/RPE
Puglise, CON/A
Shumway, CON/B
Monaco, CON/B
Stumbaugh, CON/B
All Budget Examiners
All RPE Analysts
Beckwith, CON
Controller R/F
Budget Chron
Subject File

U. S. NUCLEAR REGULATORY COMMISSION
FIRST UPDATE TO BASE TABLE FOR FY 1979
(Dollars in Thousands)

Program	Revised Base 4/26/79	Comparability Change	Programmatic Change	Revised Base 5/31/79
Nuclear Reactor Regulation:				
Technical Projects	$ 4,318		$ +1,351 2/	$ 5,669
Advanced Reactors	$ 1,030		$ -	$ 1,030
All Other 1/	$ 40,913		$ +1,550 3/	$ 42,463
Subtotal	$ 46,261		$ +2,901	$ 49,162
Standards Development: 1/	$ 14,345	$ -85 4/	$ -67 5/	$ 14,193
Inspection and Enforcement:				
Fuel Facilities & Materials	$ 1,391		$ —	$ 1,391
Safeguards	$ 994		$ -	$ 994
All Other 1/	$ 36,000		$ +228 6/	$ 36,228
Subtotal	$ 38,385		$ +228	$ 38,613
Nuclear Material Safety and Safeguards:				
Transportation	$ 210		$ +300 7/	$ 510
International Safeguards	$ 210		$ -22 8/	$ 188
All Other 1/	$ 27,763		$ -552 9/	$ 27,211
Subtotal	$ 28,183		$ -274	$ 27,909
Nuclear Regulatory Research:				
System Engineering	$ 33,422		$ -1,390 10/	$ 32,032
Code Development	$ 9,330		$ -	$ 9,330
Fuel Behavior	$ 20,828		$ -	$ 20,828
Primary Systems Intregrity	$ 8,400		$ -	$ 8,400
Advanced Converters	$ 3,700		$ -800 11/	$ 2,900
Safeguards	$ 5,000		$ -	$ 5,000
Risk Assessment	$ 4,400		$ -	$ 4,400
All Other 1/	$ 74,045		$ -67 12/	$ 73,978
Subtotal	$159,125		$ -2,257	$156,868

Program	Revised Base 4/26/79	Comparability Change	Programmatic Change	Revised Base 5/31/79
Program Technical Support:				
Program Support	$ 1,350	$ +85 4/	$ +195 13/	$ 1,630
All Other 1/	$ 11,574		$ -93 14/	$ 11,481
Subtotal	$ 12,924	$ +85	$ +102	$ 13,111
Program Direction and Administration:				
Program Support	$ 2,900		$ -364 15/	$ 2,536
All Other 1/	$ 24,944		$ -230 16/	$ 24,714
Subtotal	$ 27,844		$ -594	$ 27,250
TOTAL OBLIGATIONAL AVAILABILITY	$327,067	$ -	$ 39 17/	$327,106

1/ Includes the following items which received a specific reduction by Congress, but not applied by Congress to specific programs:

Personnel Compensation & Benefits	$ 90,866		$ -900 18/	$ 89,966
Administrative Support	$ 32,031		$ +1,077 19/	$ 33,108
Travel	$ 6,720		$ +307 20/	$ 7,027

2/ Efforts to investigate safety issues identified as a result of the Three-Mile Island accident. Increased effor on several of the 19 generic (unresolved safety issues) previously identified in NUREG-0501.

3/ Efforts to implement, for operating reactors, the near-term resolution of several of the safety issues identifi as a result of the Three-Mile Island accident. In addition, efforts associated with the review of the plants s down for seismic design concerns. Also funding is included (1) in casework to contract for additional people, a short-term basis, to avoid delays in the licensing process and (2) to accommodate revised estimates for on-go safeguards work.

4/ To centralize the funding within the Office of State Programs for State workshops on decommissioning.

5/ Minor reestimates to several contracts, travel, etc.

6/ Additional requirements due to TMI for travel, increased utility costs in the regions (24-hour operations), equipment rental, reproduction, etc.

7/ To initiate a safety study of containers used to transport low specific activity material (low-level radioactive material) as a result of recent accidents involving transportation of natural uranium concentrate.

8/ Refinement of estimates.

9/ Revised estimates for travel and allocated portion of changes to salaries and administrative support. See footnotes 18 through 20.

10/ Delay incremental funding of a multi-year contract until FY 1980 in order to fund TMI related requirements.

11/ Defer funding for studies and analysis of alternate fuel cycle (NASAP/INFCE). It is estimated that the activities related to TMI will cost the NRC in the neighborhood of $13 -$14 million in FY 1979. In order to fund this unexpected increase in costs, the NRC must delay and/or cancel lower priority activities. As a result, the $800,000 identified for this effort is being reprogrammed to fund TMI-related activities.

12/ Allocated portion of changes to salaries and administrative support. See footnotes 18 and 19.

13/ Increase to International Programs ($95,000) to fund a study of Health and Safety Information Dissemination Abroad and an increase to State Programs ($100,000) to contract for Emergency Response Specialists to handle the increased activity as a result of TMI.

14/ Allocated portion of changes to salaries, administrative support and revised estimate for travel. See footnotes 18 through 20.

15/ This reduction is a net amount representing reductions of $644,000 which is a refinement of the estimates for approximately eight of the offices within PDA and an increase of $280,000 to the Office of Equal Employment Opportunity to initiate a study of issues concerning equal employment opportunity at NRC.

16/ This is primarily due to minor reductions to travel and PDA's portion of the salary and administrative support adjustments. See footnotes 18 through 20.

17/ Utilization of remainng balance of FY 1978 unobligated funds carried over.

18/ This reduction is made available from the proposed pay raise supplemental ($4,300,000) by experiencing a low projected hiring rate during the first seven months of FY 1979. This is due in part to the hiring freeze. funds will be used to fund TMI related activities. This reduction has been allocated to all programs.

19/ This increase is for TMI related activities such as; increased support for the Emergency Response Center and investigatory groups, increased utilities, ADP timesharing costs and telecommunications. This increase has been allocated to all programs.

20/ This increase is a net amount consisting of increases to NRR and IE totaling $550,000 for TMI related activities, offset by reductions to other offices totaling $243,000.

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

OFFICE OF THE
CHAIRMAN

March 7, 1980

The Honorable J. Bennett Johnston, Chairman
Subcommittee on Public Works
Committee on Appropriations
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

At the end of FY 1979, the Nuclear Regulatory Commission had a carryover of $3.0 million of unobligated and uncommitted funds, or approximately one percent of the FY 1979 obligational availability. These funds resulted from a combination of deobligation of prior year funds due to underruns on completed contracts, programmatic changes, and from actual obligations on active contracts that were lower than originally estimated.

The Commission has reviewed its program requirements for FY 1980 and has identified the need to apply these carryover funds to priority unfunded requirements as shown in the enclosure. Seventy-five percent of these funds will be applied to several tasks identified through the various TMI-2 post-accident investigations and represent high priority unfunded items. The remaining funds are primarily for: support of radioisotope licensing actions due to changes in 10 CFR 51 (Licensing and Regulatory Policy and Procedures for Environmental Protection) required by CEQ in implementing the National Environmental Protection Act; increases in the uranium milling facility workload caused by the Uranium Mill Tailings Radiation Control Act of 1978; and unexpected growth in requests for assistance by Agreement States in their evaluation of tailings impoundment sites.

The application of these FY 1979 carryover funds represents reprogramming actions which, based on Congressional guidance, requires review and approval by Congress.

Sincerely,

J F Ahearne

John F. Ahearne
Chairman

Enclosure:
Proposed Changes to U.S. NRC
  FY 1980 Base Table

cc: Sen. Mark O. Hatfield

Identical letters will be sent to:

The Honorable Morris K. Udall, Chairman
Subcommittee on Energy and the Environment
Committee on Interior and Insular Affairs
U. S. House of Representatives
Washington, D. C. 20515
cc: Rep. Steven D. Symms

The Honorable Gary Hart, Chairman
Subcommittee on Nuclear Regulation
Committee on Environment and Public Works
United States Senate
Washington, D. C. 20510
cc: Sen. Alan Simpson

The Honorable John D. Dingell, Chairman
Subcommittee on Energy and Power
Committee on Interstate and Foreign Commerce
U. S. House of Representatives
Washington, D. C. 20515
cc: Rep. Clarence J. Brown

The Honorable Tom Bevill, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
U. S. House of Representatives
Washington, D. C. 20515
cc: Rep. John T. Myers

bcc w/enclosures:
Chairman Ahearne
Commissioner Gilinsky
Commissioner Kennedy
Commissioner Hendrie
Commissioner Bradford
Cummings, IA
Chilk, SECY
Hanrahan, PE
Bickwit, GC
Fouchard, PA
Kammerer, CA
Dircks, Acting EDO
Cornell, DEDO
Rehm, AEDO
Donoghue, ADM
Barry, CON
Shapar, ELD
Haller, MPA
Michelson, EOD
Shea, IP
Kerr, SP
Heltemes, AEOD
Tucker, EEO
Minogue, SD
Denton, NRR
Dircks, NMSS
Stello, IE
Budnitz, RES
Plesset, ACRS
Lazo, ASLBP
Rosenthal, ASLAP
EDO M/R
Cooper, CON/B
Triner, CON/RPE
Pugliese, CON/A
Shumway, CON/B
Monaco, CON/B
Stumbaugh, CON/B
All Budget Examiners
All RPE Analysts
Beckwith, CON
Controller R/F
Budget Chron
BOSD Chron
Subject File

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DATE▶						

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Enclosure

PROPOSED CHANGES TO U.S. NUCLEAR REGULATORY COMMISSION
FY 1980 BASE TABLE
(Dollars in Thousands)

Program	Previous Base*	Proposed Programmatic Change	Revised Base
Nuclear Reactor Regulation			
Casework and Technical Projects.	$ 12,[illegible]	$ 500 2/	$ 12,665
Safeguards	-	-	-
Advanced Reactors	1,315	-	1,315
All Other 1/	41,690	+320 3/	42,010
Subtotal	55,170	+820	55,990
Standards Development			
Safeguard Standards	2,307	-	2,307
All Other 1/	11,095	-	11,095
Subtotal	13,402	-	13,402
Inspection and Enforcement			
Fuel Facilities and Materials Safety, Management Direction and Support	1,935	+1,040 4/	2,975
Safeguards	1,000	-5 5/	995
All Other 1/	37,849	-170 5/	37,679
Subtotal	40,784	+865	41,649
Nuclear Material Safety and Safeguards			
Waste Management	8,706	+474 6/	9,180
Safeguards	1,800	-	1,800
All Other 1/	17,779	+263 7/	18,042
Subtotal	28,285	+737	29,022
Nuclear Regulatory Research			
Light Water Reactor	116,945	+300 8/	117,245
Fast Breeder Reactor	13,700	-	13,700
Advanced Converter	1,700	-	1,700
Site, Waste, Environment, Risk, and Fuel Cycle	25,876	-	25,875
Safeguards	4,000	-	4,000
Improved Reactor Safety	1,000	-	1,000
Equipment	7,737	-	7,737
All Other 1/	8,930	-	8,930
Subtotal	179,868	+300	180,168
Program Technical Support 1/	15,100	-	15,100
Program Direction and Administration 1/	33,316	+300 9/	33,616
Total New Obligational Authority .	365,945	+3,022	368,967
Unobligated Balance Carryover	3,022	-3,022	-
TOTAL OBLIGATIONAL AVAILABILITY ..	$ 368,967	$ -	$ 368,967

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* Reference Base Table provided to Congress on January 15, 1980.

1/ Includes the following items which received a specific change by Congress, but not applied to specific programs:

Administrative Support	35,213	-	35,213
Travel	7,500	-	7,500

Explanatory Footnotes

2/ This increase provides funding for studies to develop recommendations for improving requirements and practices on operator qualification and training; utility management and technical resources to cope with operational events; and post-accident radiation effects.

3/ This funding provides for studies to improve nuclear power plant auxiliary buildings and to assure control room habitability during accident conditions. These studies are high priority unfunded tasks identified as a result of the various TMI-2 post-accident reviews which require immediate initiation.

4/ This increase is to accommodate reactor health physics appraisals at 70 operating reactors in response to various TMI-2 post-accident reviews to assess the adequacy of: radiation protection programs at nuclear power plants; training of health physics technicians; in-plant controls of unusual radiological conditions, and supplies of health physics instrumentation and equipment.

5/ These reductions are minor adjustments being used to partially offset the required increase discussed in footnote 3/ for the reactor health physics appraisals. The reductions are due to reestimating of tasks and/or deferral of lower priority non-TMI-related tasks.

6/ Increased funding is for the following tasks that are either in support of meeting Congressional requirements as expressed in the Uranium Mill Tailings Radiation Control Act of 1978 or in fulfilling NRC commitments to provide assistance to Agreement States in their licensing of uranium mills.

a. Complete the Uranium Milling generic environmental impact statement (GEIS). Needed to upgrade the criteria for uranium mill sites to mitigate health and safety problems and to bring Agreement States into compliance as required by the Uranium Mill Tailings Radiation Control Act of 1978.

b. Verification, technical review, and documentation of the MILDOS computer code Needed to validate code for use in uranium mill licensing reviews and for the Uranium Milling GEIS.

c. Downstream area analysis of the Church Rock uranium mill tailings impoundment failure in New Mexico. Needed to monitor and evaluate the decontamination efforts resulting from the Church Rock impoundment failure in fall of 1975.

d. Increased efforts for evaluation of tailings impoundment sites particularly for Agreement States. Needed to expeditiously handle the FY 1980 caseload and meet NRC commitment to Agreement States to assist in their licensing of uranium mills.

Explanatory Footnotes (continued)

7/ A requirement was identified after preparation of the FY 1981 budget to perform independent environmental measurements and to apply the proposed revised 10 CFR 51 "Licensing and Regulatory Policy and Procedures for Environmental Protection" to material licensees. Revisions to 10 CFR 51 "Licensing and Regulatory Policy and Procedures for Environmental Protection" (required due to CEQ withdrawal of previous exemptions to NEPA) are expected to go in effect in the last quarter of FY 1980 resulting in a significant increase in radioisotope licensing caseload.

8/ As a result of the TMI-2 accident and recommendations resulting from the subsequent investigative group studies, it has become necessary to develop a centralized data information system referred to as the Nuclear Data Link System. The Office of Inspection and Enforcement has requested a "user requirement" to initiate a study to identify what data should be included in the system. The System, when developed, will be used in the NRC Incident Response Center to assist the staff to make timely decisions associated with safe shutdowns of nuclear power plants during emergency conditions.

9/ One of the key conclusions of the Kemeny Commission was that "NRC does not possess the organizational and management capabilities necessary for the effective pursuit of safety goals." The Commission, therefore, is initiating an objective independent analysis of the existing Commission management structure. The basic purpose of the study is to examine the current internal management approaches and procedures used by the Commissioners to execute their responsibilities and to identify and examine possible improvements to the Commissioners' efficiency and effectiveness.

June 25, 1980

The Honorable Tom Bevill, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

During NRC's FY 1981 budget presentations to Congress, we had indicated that NRC was in the process of completing an agency-wide assessment of the TMI-2 accident and was preparing the TMI-2 Action Plan to address the issues identified during this assessment. Further, we indicated that implementation of the Action Plan would cause a redirection of the FY 1980 budget that was approved by Congress. In some cases, the resources for the redirected efforts will necessitate reprogrammings that require prior Congressional approval under the Appropriations Committees' reprogramming procedures for NRC. The purpose of this letter is to request your approval of these reprogramming actions.

The preparation of the TMI Action Plan evolved through intensive staff review and interaction with the Commission. The Plan also incorporates comments from the ACRS. While the TMI-2 Action Plan now reflects how the Commission currently plans to respond to the many recommendations and issues surfaced by investigations of the TMI-2 accident, we expect that specific details regarding implementation of some tasks will change as we learn more during the implementation phase. We will provide your Committee with copies of the complete Action Plan under separate cover.

Enclosure 1 provides a listing of all the TMI-2 Action Plan tasks, the responsible offices, and initiation schedules that have been approved by the Commission. Enclosure 2 summarizes, by NRC program office and decision unit, the resources required in FY 1980 during the period April 1 through September 30, 1980, for implementation of the Action Plan. It also shows the resources available that can be redirected within Congressional reprogramming limitations, and those resources which require prior Congressional approval for reprogramming. As indicated in Enclosure 2, NRC will be able to accomplish most of the necessary redirection of FY 1980 resources without exceeding Congressional reprogramming limitations. There are some exceptions for a limited number of decision units in the NRR and I&E programs. Since most of the reprogramming actions requiring Congressional approval are as a result of the implementation in the NRR program of those tasks referred to as Near Term Operating License conditions, brief explanations of these tasks are provided in Enclosure 3.

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Therefore, in accordance with Congressional reprogramming procedures, we are providing your Committee with proposed revisions to our base table (Enclosure 4) with accompanying explanations. In order to implement the high priority efforts identified in the TMI Action Plan, we would appreciate your early consideration of these proposed reprogrammings.

Sincerely,

Original Signed By
John F. Ahearne

John F. Ahearne
Chairman

Enclosures:
1. Priorities and Status of Items
   In TMI-2 Action Plan
2. TMI Action Plan Reprogramming
   Analysis
3. Near Term Operating License Tasks
4. FY 1980 Base Table

cc w/enclosures:
Rep. John T. Myers

Identical letter sent to:
The Honorable J. Bennett Johnston, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, DC 20510
cc w/enclosures: Sen. Mark O. Hatfield

bcc w/enclosures:
Chairman Ahearne
Commissioner Gilinsky
Commissioner Kennedy
Commissioner Hendrie
Commissioner Bradford
Cummings, IA
Chilk, SECY
Hanrahan, PE
Bickwit, GC
Fouchard, PA
Kammerer, CA
Dircks, Acting EDO
Cornell, DEDO
Rehm, AO/EDO
Blaha, DEDO
PCN

Donoghue, ADM
Barry, CON
Shapar, ELD
Haller, MPA
Shea, IP
Ryan, SP
Tucker, EEO
Michelson, AEOD
Minogue, SD
Denton, NRR
Dircks, NMSS
Stello, IE
Budnitz, RES
Plesset, ACRS
Lazo, ASLBP

Rosenthal, ASLAP
Mattson, NRR
EDO R/R
Cooper, CON/B
Triner, CON/RPE
Puglise, CON/A
Shumway, CON/B
Stumbaugh, CON/B
Monaco, CON/E
All CON Budget Examiners
All RPE Analysts
Beckwith, CON
Controller R/F
Budget Chron
PB Chron
Subject File

EDSD/ICON
STUMBAUGH
6/ /80

CON/RPE
Loach
6/16/80

DEDO
6/10/80

SECY
6/23/80

OCA
6/ /

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SURNAME ▶	Monaco	Shumway	via phone Mattson	Barry		
DATE ▶	6/13/80	6/16/80	6/15/80	6/ /80	6/19/80	6/ /80

PRIORITIES AND STATUS OF ITEMS IN TMI-2 ACTION PLAN

PRIORITIES AND STATUS OF ITEMS IN TMI-2 ACTION PLAN

Key to Symbols

Decision Group:

A = Items or criteria already approved by the Commission in the course of business apart from the Action Plan.

B = Items for which the scope and criteria are sufficiently well-defined in the plan that additional study is not required. Commission approval of the plan means, for these items, implementation in the manner described in the plan, consistent with a policy to solicit and consider public comments on these and any other TMI-related requirements developed in accord with the plan. This policy may impact the estimated implementation deadlines presently shown for these Decision Group B items in the plan and in Table 1.

C = Items which require further definition of scope, need, and criteria. Commission approval of the plan means, for these items, approval to commit the necessary staff resources, consistent with other resource priorities, to develop the information needed to bring the item separately to the Commission for a decision on the schedules shown in the plan.

D = Items that are related to, but not directly derived from, the TMI-2 accident and are more properly characterized as part of the agency's normal operating plan. Some Decision Group D items are ongoing. Decision Group D items are included in the plan for completeness but are to be scheduled and assigned resources along with the other normal functions of the agency in its routine operating plan and budgetary process. Licensee implementation details for Decision Group D items are not included in this Action Plan.

Priority Group:

1 = Should be initiated in FY80 or FY81 and accomplished as scheduled in the Action Plan; in general, received more than 170 points in the Action Plan priority system (see Appendix B).

2 = Schedule, if possible, but initiation can be deferred for up to one year in view of relative priority or other work already initiated; in general, received between 110 and 190 points (see Appendix B).

3 = Initiation can be deferred for up to two years; in general received less than 110 points (see Appendix B).

(no priorities assigned to Decision Group D items)

PRIORITIES AND STATUS OF ITEMS IN TMI-2 ACTION PLAN

Action Item	Decision Group	Priority Group	Lead Office	Initiate Action FY80	Initiate Action FY81	Initiate Action FY82	Comments
I. Operational Safety							
I.A Operating Personnel							
I.A.1 Operating Personnel and Staffing							
1. Shift Technical Advisor	A	1	NRR	X			
2. Shift Supervisor Admin. Duties	A	1	NRR	X			
3. Shift Manning	A	1	NRR	X			
4. Long-term Upgrading	D	-	SD			X	
I.A.2 Training and Qualifications of Operating Personnel							
1. Immediate Upgrading of Operator and Senior Operator Training and Qualifications	A	1	NRR	X			
2. Training and Qualifications of Operations Personnel	B	2	NRR	X			
3. Administration of Training Programs	Audits - B Instructors - A	2	NRR	X		X	
4. NRR Participation in Inspector Training	B	3	IE			X	
5. Plant Drills	Short-term - B Long-term - D	1	NRR		X	X	
6. Long-term Upgrading of Training and Qualifications	C	1	SD	X			

PRIORITIES (continued)

Action Item	Decision Group	Priority Group	Lead Office	Initiate Action FY80	Initiate Action FY81	Initiate Action FY82	Comments
7. Accreditation of Training Institutions	C	2	NRR	X			
I.A.3 Licensing and Requalification of Operating Personnel							
1. Revise Scope and Criteria for Licensing Exams	A	2	NRR	X			
2. Operator Licensing Program Changes	C	3	NRR			X	
3. Requirements for Operator Fitness	D	-	SD			X	
4. Licensing of Additional Operations Personnel	C	2	NRR			X	
5. Establish Statement of Understanding with INPO and DOE	D	-	NRR			X	
I.A.4 Simulator Use and Development							
1. Initial Simulator Improvement	B	1	NRR	X			
2. Long-Term Training Simulator Upgrade	B	2	SD	X			
3. Feasibility Study of Procurement of NRC Training Simulator	D	-	RES			X	
4. Feasibility Study of NRC Engineering Computer	D	-	RES			X	

PRIORITIES (continued)

Action Item	Decision Group	Priority Group	Lead Office	Initiate Action			Comments
				FY80	FY81	FY82	
I.B.1 Management for Operations							
1. Organization and Management Long-Term Improvements	C	1	NRR	X			
2. Evaluation of Organization and Management Improvements of NTOL Applicants	A	1	IE	X			
3. Loss of Safety Function	C	2	SD	X			Started FY79
I.B.2 Inspection of Operating Reactors							
1. Revise IE Inspection Program	D	-	IE	X			Ongoing
2. Resident Inspector at Operating Reactors	A	1	IE	X			Ongoing
3. Regional Evaluations	D	-	IE	X			Ongoing
4. Overview of Licensee Performance	D	-	IE		X		
I.C Operating Procedures							
1. Short-Term Accident Analysis and Procedures Revision	A	1	NRR	X			
2. Shift and Relief Turnover Procedures	A	1	NRR	X			
3. Shift Supervisor Responsibilities	A	1	NRR	X			
4. Control Room Access	A	1	NRR	X			
5. Procedures for Feedback of Operating Experience	A	1	NRR	X			

PRIORITIES (continued)

Action Item	Decision Group	Priority Group	Lead Office	Initiate Action FY80	Initiate Action FY81	Initiate Action FY82	Comments
6. Procedures for Verification of Correct Performance of Operating Activities	B	2	NRR	X			
7. NSSS Vendor Review of Procedures	A	1	NRR	X			
8. Pilot Monitoring of Selected Emergency Procedures for NTOL Applicants	A	2	NRR	X			
9. Long-Term Program Plan for Upgrading of Procedures	C	1	NRR	X			
I.D Control Room Design							
1. Control Room Design Reviews	NTOL - A Remainder - B	1	NRR	X			
2. Plant Safety Parameter Display Console	B	1	NRR	X			
3. Safety System Status Monitoring	C	2	NRR			X	
4. Control Room Design Standard	B	1	SD	X			
5. Improved Control Room Instrumentation Research	A	2	RES	X			
6. Technology Transfer Conference	A	3	RES	X			Complete
I.E Analysis and Dissemination of Operating Experience							
1. Office for Analysis and Evaluation of Operational Data	A	1	AEOD	X			Started FY79
2. Program Office Operational Data Activities	A	1	EDO	X			Ongoing

PRIORITIES (continued)

Action Item	Decision Group	Priority Group	Lead Office	Initiate Action FY80	Initiate Action FY81	Initiate Action FY82	Comments
3. Operational Safety Data Analysis	A	1	RES	X			Ongoing
4. Coordination of Licensee, Industry, and Regulatory Programs	B	1	AEOD	X			
5. Nuclear Plant Reliability Data System	D	-	SD	X			Ongoing
6. Reporting Requirements	C	1	AEOD	X			Ongoing
7. Foreign Sources	B	2	IP	X			
8. Human Error Rate Analysis	A	2	RES	X			Ongoing
I.F Quality Assurance							
1. Expand QA list	B	2	SD			X	
2. Develop More Detailed Criteria	D	-	SD			X	
I.G Preoperational and Low-Power Testing							
1. Training Requirements	A	2	NRR	X			
2. Scope of Test Program	B	2	NRR			X	
II. Siting and Design							
II.A Siting							
1. Siting Policy Reformulation	C	2	NRR	X			
2. Site Evaluation of Existing Facilities	C	2	NRR	X			

PRIORITIES (continued)

Action Item	Decision Group	Priority Group	Lead Office	Initiate Action			Comments
				FY80	FY81	FY82	
II.B Consideration of Degraded or Melted Cores in Safety Review							
1. Reactor Coolant System Vents	A	2	NRR	X			Started FY79
2. Plant Shielding to Provide Access to Vital Areas and Protect Safety Equipment for Post-accident Operation	A	2	NRR	X			Started FY79
3. Post-accident Sampling	A	2	NRR	X			Started FY79
4. Training for Mitigating Core Damage	A	1	NRR	X			
5. Research on Phenomena Associated with Core Degradation and Fuel Melting	A	2	RES	X			Ongoing
6. Risk Reduction for Operating Reactors at Sites with High Population Densities	A	1	NRR	X			
7. Analysis of Hydrogen Control	C	1	NRR	X			
8. Rulemaking Proceeding	A	2	SD	X			
II.C Reliability Engineering and Risk Assessment							
1. Interim Reliability Evaluation Program (IREP)	A	1	RES	X			Six-plant study delayed to 5/81
2. Continuation of IREP	C	2	RES	X			
3. Systems Interaction	A	1	NRR	X			
4. Reliability Engineering	B	2	NRR			X	

PRIORITIES (continued)

Action Item	Decision Group	Priority Group	Lead Office	Initiate Action FY80	Initiate Action FY81	Initiate Action FY82	Comments
II.D Reactor Coolant System Relief and Safety Valves							
1. Testing Requirements	A	1	NRR	X			
2. Research on Relief and Safety Valve Test Requirements	A	3	RES	X			
3. Relief and Safety Valve Position Indication	A	1	NRR	X			Complete
II.E System Design							
II.E.1 Auxiliary Feedwater System							
1. Auxiliary Feedwater System Evaluation	A	1	NRR	X			Stretch completion to FY82
2. Auxiliary Feedwater System Automatic Initiation and Flow Indication	A	1	NRR	X			
3. Update Standard Review Plan and Develop Regulatory Guide	B	-	NRR			X	
II.E.2 Emergency Core Cooling System							
1. Reliance on ECCS	B	2	NRR			X	
2. Research on Small Break LOCAs and Anomalous Transients	A	1	RES	X			Started FY79
3. Uncertainties in Performance Predictions	C	2	NRR			X	

PRIORITIES (continued)

Action Item		Decision Group	Priority Group	Lead Office	Initiate Action			Comments
					FY80	FY81	FY82	
II.E.3	Decay Heat Removal							
1.	Reliability of Power Supplies for Natural Circulation	A	1	NRR	X			Started FY79
2.	Systems Reliability	B	1	NRR	X			
3.	Coordinated Study of Shutdown Heat Removal Requirements	C	2	NRR	X			
4.	Alternate Concepts Research	D	-	RES	X			Started FY79
5.	Regulatory Guide	D	-	SD	X			Ongoing
II.E.4	Containment Design							
1.	Dedicated Penetrations	A	1	NRR	X			Started FY79
2.	Isolation Dependability	A	1	NRR	X			Started FY79
3.	Integrity Check	B	2	NRR			X	
4.	Purging	A	1	NRR	X			
II.E.5	Design Sensitivity of B&W Reactors							
1.	Design Evaluation	A	2	NRR	X			
2.	B&W Reactor Transient Response Task Force	A	2	NRR	X			Ongoing
II.E.6	In Situ Testing of Valves							
1.	Test Adequacy Study	D	-	NRR			X	

PRIORITIES (continued)

Action Item	Decision Group	Priority Group	Lead Office	Initiate Action			Comments
				FY80	FY81	FY82	
II.F Instrumentation and Controls							
1. Additional Accident Monitoring Instrumentation	A	1	NRR	X			Started FY79
2. Identification of and Recovery from Conditions Leading to Inadequate Core Cooling	A	1	NRR	X			Started FY79
3. Instrumentation for Monitoring Accident Conditions (Reg. Guide 1.97)	B	2	SD	X			Started FY79
4. Study of Control and Protection Action Design Requirements	D	3	NRR			X	
5. Safety Classification of Electrical Equipment	B			X			
II.G Electrical Power							
1. Power Supplies for Pressurizer Relief Valves, Block Valves, and Level Indications	A	1	NRR	X			Started FY79
II.H TMI-2 Cleanup and Examination							
1. Maintain Safety of TMI-2 and Minimize Environmental Impact	A	1	NRR	X			
2. Obtain Technical Data on the Conditions Inside the TMI-2 Containment Structure	A	2	RES	X			
3. Evaluate and Feedback Information Obtained from TMI	A	2	NRR	X			

PRIORITIES (continued)

Action Item	Decision Group	Priority Group	Lead Office	Initiate Action FY80	Initiate Action FY81	Initiate Action FY82	Comments
4. Determine Impact of TMI on Socioeconomic and Real Property Values	A	3	RES	X			Started FY79
II.J General Implications of TMI for Design and Construction Activities							
II.J.1 Vendor Inspection Program							
1. Establish a Priority System for Conducting Vendor Inspections	D	-	IE	X			
2. Modify Existing Vendor Inspection Program	D	-	IE	X			
3. Increase Regulatory Control Over Present Nonlicensees	D	-	IE		X		
4. Assign Resident Inspectors to Reactor Vendors and Architect-Engineers	D	-	IE		X		
II.J.2 Construction Inspection Program							
1. Reorient Inspection Program More Toward Direct Observation, Proper Work Performance, and Verification of As-Built Configurations Versus Design	A	3	IE	X			
2. Increase Emphasis on Independent Measurement in the Construction Inspection Program	A	3	IE	X			
3. Assign Resident Inspectors to all Construction Sites	D	-	IE	X			

PRIORITIES (continued)

Action Item	Decision Group	Priority Group	Lead Office	Initiate Action FY80	Initiate Action FY81	Initiate Action FY82	Comments
II.J.3 Management for Design and Construction							
1. Organization and Staffing to Oversee Design and Construction	C	1	NRR	X			
2. Issue Regulatory Guide	C	3	SD	X			
II.J.4 Revise Deficiency Reporting Requirements	C	1	IE	X			
II.K Measures to Mitigate Small-Break LOCAs and Loss of Feedwater Accidents							
1. IE Bulletins	A	1	NRR	X			
2. Commission Orders on B&W Plants	A	1	NRR	X			Started FY79
3. Final Recommendations of B&O Task Force	B	1	NRR	X			Stretch out implementation to FY82
III. Emergency Preparations and Radiation Effects							
III.A.1 Improve Licensee Emergency Preparedness - Short-Term							
1. Upgrade Emergency Preparedness	A	1	NRR	X			
2. Upgrade Licensee Emergency Support Facilities	A	1	NRR	X			Complete
3. Maintain Supplies of Thyroid Blocking Agent (Potassium Iodide)	C	3	NRR	X			

PRIORITIES (continued)

Action Item		Decision Group	Priority Group	Lead Office	Initiate Action FY80	Initiate Action FY81	Initiate Action FY82	Comments
III.A.2	Improving Licensee Emergency Preparedness - Long-term							
1.	Amend 10 CFR 50 and 10 CFR 50, Appendix E	C	3	SD	X			Started FY79
2.	Development of Guidance and Criteria	C	3	NRR	X			
III.A.3	Improving NRC Emergency Preparedness							
1.	NRC Role in Responding to Nuclear Emergencies	A	1	EDO	X			
2.	Improve Operations Centers	B	2	IE	X			
3.	Communications	Telephones-A Backup-C	2 2	IE IE	X			
4.	Nuclear Data Link	C	3	IE	X			Ongoing
5.	Training, Drills, and Tests	D	-	IE	X			Ongoing
6.	Interaction of NRC with Other Agencies	C	2	EDO	X			
III.B	Emergency Preparedness of State and Local Governments							
1.	Transfer of Responsibilities to FEMA	A	1	EDO	X			
2.	Implementation of NRC's and FEMA's Responsibilities	A	1	EDO	X			
III.C	Public Information							
1.	Have Information Available for the News Media and the Public	C	3	OPA	X			

PRIORITIES (continued)

Action Item		Decision Group	Priority Group	Lead Office	Initiate Action FY80	Initiate Action FY81	Initiate Action FY82	Comments
2.	The Office of Public Affairs will Develop Agency Policy and Provide Training for Interfacing with the News Media and Other Interested Parties	C	3	OPA	X			
III.D.1	Radiation Source Control							
1.	Primary Coolant Sources Outside the Containment Structure	NTOL - A Criteria - C	2 2	NRR NRR	X			
2.	Radioactive Gas Management	B	3	NRR			X	
3.	Ventilation System and Radioiodine Adsorber Criteria	B	2	NRR			X	
4.	Radwaste System Design Features to Aid in Accident Recovery and Decontamination	C	3	NRR			X	
III.D.2	Public Radiation Protection Improvement							
1.	Radiological Monitoring of Effluents	B	2	NRR			X	
2.	Radioiodine, Carbon-14, and Tritium Pathway Dose Analysis	B	3	NRR			X	
3.	Liquid Pathway Radiological Control	C	3	NRR			X	
4.	Offsite Dose Measurements	NTOL - A Remainder - C	3	IE RES	X			Research will initiate work in FY80
5.	Offsite Dose Calculation Manual	B	3	NRR			X	
6.	Independent Radiological Measurements	B	-	IE	X			

PRIORITIES (continued)

Action Item	Decision Group	Priority Group	Lead Office	Initiate Action FY80	Initiate Action FY81	Initiate Action FY82	Comments
III.D.3 Worker Radiation Protection Improvements							
1. Radiation Protection Plans	D	2	NRR			X	
2. Health Physics Improvements	B	-	SD	X			Ongoing
3. Inplant Radiation Monitoring	Short-term - A Long-term - B, D	3	NRR	X			
4. Control Room Habitability	HIOI - A Long term - C	2 2	NRR NRR	X			
5. Radiation Worker Exposure Data Base	B	-	SD	X			Ongoing
IV. Practices and Procedures							
IV.A Strengthen Enforcement Process							
1. Seek Legislative Authority	A	2	OGC	X			
2. Revise Enforcement Policy	B	2	IE	X			
IV.B Issuance of Instructions and Information to Licensees							
IV.B.1 Revise Practices for Issuance of Instructions and Information to Licensees	B	2	NRR			X	
IV.C Extend Lessons Learned to Licensed Activities Other Than Power Reactors							

PRIORITIES (continued)

Action Item	Decision Group	Priority Group	Lead Office	Initiate Action FY80	 FY81	 FY82	Comments
IV.C.1 Extended Lessons Learned from TMI to Other NRC Programs	C	3	NMSS	X			
IV.D NRC Staff Training							
IV.D.1 NRC Staff Training	C	2	ADM	X			
IV.F Safety Decision-Making							
1. Expand Research on Quantification of Safety Decision-Making	D	3	RES	X			
2. Plan for Early Resolution of Safety Issues	C	2	NRR	X			
3. Plan for Resolving Issues at Construction Permit Stage	C	3	SD			X	
4. Resolve Generic Issues by Rulemaking	C	2	SD	X			
5. Assess Currently Operating Reactors	C	2	NRR	X			
IV.F Financial Disincentives to Safety							
1. Increased IE Scrutiny of Power Ascension Test Program	A	3	IE	X			
2. Evaluate the Impacts of Financial Disincentives to the Safety of Nuclear Power Plants	C	3	NRR	X			
IV.G Improve Safety Rulemaking Procedures							
1. Develop a Public Agenda for Rulemaking	D	3	ADM			X	

PRIORITIES (continued)

Action Item	Decision Group	Priority Group	Lead Office	Initiate Action FY80	Initiate Action FY81	Initiate Action FY82	Comments
2. Periodic and Systematic Reevaluation of Existing Rules	D	3	ELD			X	
3. Improve Rulemaking Procedures	D	3	ELD			X	
4. Study Alternatives for Improved Rulemaking Process	D	3	ELD			X	
IV.B NRC Participation in the Radiation Policy Council	A	3.	SD	X			
V. NRC Policy, Organization, and Management							
1. Develop NRC Policy Statement on Safety	NA	NA	Comm.				To be determined
2. Study Elimination of Nonsafety Responsibilities	NA	NA	Comm.				To be determined
3. Strengthen Role of ACRS	NA	NA	Comm.				To be determined
4. Study Need for Additional Advisory Committees	NA	NA	Comm.				To be determined
5. Improve Public and Intervenor Participation in Hearing Process	NA	NA	Comm.				To be determined
6. Study Construction-During-Adjudication Rules	NA	NA	Comm.				To be determined
7. Study Need for TMI-Related Legislation	NA	NA	Comm.				To be determined
8. Study the Need to Establish an Independent Nuclear Safety Board	NA	NA	Comm.				To be determined
9. Study the Reform of the Licensing Process	NA	NA	Comm.				To be determined

PRIORITIES (continued)

Action Item	Decision Group	Priority Group	Lead Office	Initiate Action FY80	Initiate Action FY81	Initiate Action FY82	Comments
10. Study NRC Top Management Structure and Process	NA	NA	Comm.				To be determined
11. Reexamine Organization and Functions of NRC Offices	NA	NA	Comm.				To be determined
12. Revise Delegations of Authority to Staff	NA	NA	Comm.				To be determined
13. Clarify and Strengthen the Respective Roles of Chairman, Commission, and EDO	NA	NA	Comm.				To be determined
14. Authority to Delegate Emergency Response Functions to a Single Commissioner	NA	NA	Comm.				To be determined
15. Achieve Single Location - Long-term	NA	NA	Comm.				To be determined
16. Achieve Single Location - Interim	NA	NA	Comm.				To be determined
17. Reexamine Commission Role in Adjudication	NA	NA	Comm.				To be determined

Enclosure 2

TMI Action Plan Reprogramming Analysis
Summary FY 1980 Differences
(Dollars in Thousands - Program Support Only)

Office: Nuclear Reactor Regulation

Decision Unit	FY 1980 4/1-9/30/80				Difference		Congressional Reprogramming Thresholds*
	TMI Action Plan Requirements		Candidate Give Up		Requirements Less Candidates		
	SY	$	SY	$	SY	$	$
Operating Reactors	(48)	822	(-)	50	(48)	772	No
Casework	(14)	350	(24)	261	(-10)	89	Yes 1/
Technical Projects	(19)	1,170	(52)	1,531	(-33)	-361	
Advanced Reactors	(-)	-	(2)	500	(-2)	-500	Yes 2/
Standards Assistance	(-)	-	(3)	-	(-3)	-	No
TOTAL	(81)	2,342	(81)	2,342	(0)	0	

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* "Yes" indicates prior Congressional approval is required to implement reprogramming in FY 1980.

1/ Congressional funding level established for Casework and for Technical Projects combined $12,165K.

2/ Congressional funding level established for Advanced Reactors $1,315K, includes a $500K Congressional add-on for HTGR.

TMI Action Plan Reprogramming Analysis
Summary FY 1980 Differences
(Dollars in Thousands - Program Support Only)

Office: Standards Development

	FY 1980 4/1-9/30/80				Difference		Congressional
	TMI Action Plan Requirements		Candidate Give Up		Requirements Less Candidates		Reprogramming Thresholds*
Decision Unit	SY	$	SY	$	SY	$	$
Power Facility Standards	(4.4)	-	(4.4)	-	(-)	-	No
Operation and Utilization Standards	(1.3)	-	(1.3)	-	(-)	-	No
TOTAL	(5.7)	-	(5.7)	-	(-)	-	

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* "Yes" indicates prior Congressional approval is required to implement reprogramming in FY 1980.

TMI Action Plan Reprogramming Analysis
Summary FY 1980 Differences
(Dollars in Thousands - Program Support Only)

Office: Inspection and Enforcement

Decision Unit	FY 1980 4/1-9/30/80 TMI Action Plan Requirements SY	FY 1980 4/1-9/30/80 TMI Action Plan Requirements $	FY 1980 4/1-9/30/80 Candidate Give Up SY	FY 1980 4/1-9/30/80 Candidate Give Up $	Difference Requirements Less Candidates SY	Difference Requirements Less Candidates $	Congressional Reprogramming Thresholds* $
Reactor Construction	(2.9)	-	(2.9)	-	(-)	-	No
Reactor Operations	(16.1)	-	(16.1)	100	(-)	-100	No
Vendor and Contractor ...	(0.1)	-	(0.1)	-	(-)	-	No
Fuel Facilities and Materials Safety	(1.1)	-	(1.1)	-	(-)	-	Yes 1/
Management Direction and Support	(0.7)	100	(0.7)	-	(-)	100	
Safeguards	(-)	-	(-)	-	(-)	-	No
Special Technical Training	(-)	-	(-)	-	(-)	-	No
TOTAL	(20.9)	100	(20.9)	100	(-)	-	

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* "Yes" indicates prior Congressional approval is required to implement reprogramming in FY 1980.

1/ Congressional funding level established for Fuel Facilities and Materials Safety and for Management Direction and Support combined $1,935K.

TMI Action Plan Reprogramming Analysis
Summary FY 1980 Differences
(Dollars in Thousands - Program Support Only)

Office: Nuclear Regulatory Research

Decision Unit	FY 1980				Difference		Congressional Reprogramming Thresholds*
	TMI Action Plan Requirements		Candidate Give Up		Requirements Less Candidates		
	SY	$	SY	$	SY	$	$
Systems Engineering	(-)	4,200	(-)	4,200	(-)	-	No
LOFT	(-)	40,300	(-)	40,300	(-)	-	No
Code Development	(-)	800	(-)	800	(-)	-	No
Fuel Behavior	(-)	200	(-)	200	(-)	-	No
Fast Breeder Reactor	(-)	2,700	(-)	2,700	(-)	-	No
Risk Assessment	(-)	400	(-)	400	(-)	-	No
Improved Reactor Safety .	(-)	550	(-)	550	(-)	-	No
TOTAL	(-)	49,230	(-)	49,230	(-)	-	

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* "Yes" indicates prior Congressional approval is required to implement reprogramming in FY 1980.

NEAR TERM OPERATING LICENSE TASKS

FUEL-LOADING AND
LOW-POWER TESTING LICENSE REQUIREMENTS

I.A.1.1 SHIFT TECHNICAL ADVISOR

A technical advisor to the shift supervisor shall be present on all shifts and available to the Control Room within 10 minutes. Although minimum training requirements have not been specified, shift technical advisors should enhance the accident assessment function at the plant.

This requirement shall be met before fuel loading.

I.A.1.2 SHIFT SUPERVISOR ADMINISTRATIVE DUTIES

Review the administrative duties of the shift supervisor and delegate functions that detract from or are subordinate to the management responsibility for assuring safe operation of the plant to other personnel not on duty in the control room.

This requirement shall be met before fuel loading.

I.A.1.3 SHIFT MANNING

The minimum shift crew for a unit shall include three operators, plus an additional three operators when the unit is operating. Shift staffing may be adjusted at multi-unit stations to allow credit for operators holding licenses on more than one unit.

In each control room, including common control rooms for multiple units, there shall be at all times a licensed reactor operator for each reactor loaded with fuel and a senior reactor operator licensed for each reactor that is operating. There shall also be onsite at all times, an additional relief operator licensed for each reactor, a licensed senior reactor operator who is designated as shift supervisor, and any other licensed senior reactor operators required so that their total number is at least one more than the number of control rooms from which a reactor is being operated.

Administrative procedures shall be established to limit maximum work hours of all personnel performing a safety-related function to no more than 12 hours of continuous duty with at least 12 hours between work periods, no more than 72 hours in any 7 day period, and no more than 14 consecutive days of work without at least 2 consecutive days off.

These requirements shall be met before fuel loading. (Detailed guidance to licensees is expected to be issued in May 1980).

I.A.3.1 REVISE SCOPE AND CRITERIA FOR LICENSING EXAMINATIONS

All reactor operator license applicants shall take a written examination with a new category dealing with the principles of heat transfer and fluid mechanics, a time limit of nine hours, and a passing grade of 80 percent overall and 70 percent in each category.

All senior reactor operator license applicants shall take the reactor operator examination, an operating test, and a senior reactor operator written examination with a new category dealing with the theory of fluids and thermodynamics, a time limit of seven hours, and a passing grade of 80 percent overall and 70 percent in each category.

These requirements shall be met before fuel loading.*

I.B.1.2 EVALUATION OF ORGANIZATION AND MANAGEMENT IMPROVEMENTS OF NEAR-TERM OPERATING LICENSE APPLICANTS

The licensee organization shall comply with the findings and requirements generated in an interoffice NRC review of licensee organization and management. The review will be based on an NRC document entitled Draft Criteria for Utility Management and Technical Competence. The first draft of this document was dated February 25, 1980, but the document is changing with use and experience in ongoing reviews. These draft criteria address the organization, resources, training, and qualifications of plant staff, and management (both onsite and offsite) for routine operations and the resources and activities (both onsite and offsite) for accident conditions.

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*In the case of Sequoyah, North Anna 2, Salem and McGuire, the operators were not required to take the new written examination, but were required to meet the new passing-grade requirement. However, any license applicants who must be reexamine are being required to take the new examination. The licensed operators and senior operators for all other new operating licenses will be required to take the new examination.

Establish a group that is independent of the plant staff but is assigned on site to perform independent reviews of plant operational activities and a capability for evaluation of operating experiences at nuclear power plants.

Organizational changes are to be implemented on a schedule to be determined prior to fuel loading.

I.C.1 SHORT-TERM ACCIDENT ANALYSIS AND PROCEDURE REVISION

Analyze small-break LOCAs over a range of break sizes, locations and conditions (including some specified multiple equipment failures) and inadequate core cooling due to both low reactor coolant system inventory and the loss of natural circulation to determine the important phenomena involved and expected instrument indications. Based on these analyses, revise as necessary emergency procedures and training.

These requirement shall be met before fuel loading.

I.C.2 SHIFT RELIEF AND TURNOVER PROCEDURES

Revise plant procedures for shift relief and turnover to require signed checklists and logs to assure that the operating staff (including auxiliary operators and maintenance personnel) possess adequate knowledge of critical plant parameter status, system status, availability and alignment.

This requirement shall be met before fuel loading.

I.C.3 SHIFT SUPERVISOR RESPONSIBILITIES

Issue a corporate management directive that clearly establishes the command duties of the shift supervisor and emphasizes the primary management responsibility for safe operation of the plant. Revise plant procedures to clearly define the duties, responsibilities and authority of the shift supervisor and the control room operators.

This requirement shall be met before fuel loading.

I.C.4 CONTROL ROOM ACCESS

Revise plant procedures to limit access to the control room to those individuals responsible for the direct operation of the plant, technical advisors, specified NRC personnel, and to establish a clear line of authority, responsibility, and succession in the control room.

This requirement shall be met before fuel loading.

I.C.5 PROCEDURES FOR FEEDBACK OF OPERATING EXPERIENCE TO PLANT STAFF

Review and revise, as necessary, procedures to assure that operating experiences are fed back to operators and other personnel.

This requirement shall be met before fuel loading.

I.C.7 NSSS VENDOR REVIEW OF PROCEDURES

Obtain nuclear steam supply system (NSSS) vendor review of low-power testing procedures to further verify their adequacy.

This requirement must be met before fuel loading.

I.D.1 CONTROL ROOM DESIGN

Perform a preliminary assessment of the control room to identify significant human factors deficiencies and instrumentation problems and establish a schedule approved by the NRC for correcting deficiencies.

This requirement must be met before fuel loading.

I.G.1 TRAINING DURING LOW-POWER TESTING

Define and commit to a special low-power testing program approved by NRC to be conducted at power levels no greater than 5 percent for the purposes of providing meaningful technical information beyond that obtained in the normal startup test program and to provide supplemental training.

This requirement shall be met before fuel loading.

II.B.4 TRAINING FOR MITIGATING CORE DAMAGE

Develop a training program to instruct all operating personnel in the use of installed systems, including systems that are not engineered safety features, and instrumentation to monitor and control accidents in which the core may be severely damaged.

This requirement shall be met before fuel loading.

II.D.1 RELIEF AND SAFETY VALVE TEST REQUIREMENTS

Describe a test program and schedule for testing to qualify reactor coolant system relief and safety valves under expected operating conditions for design basis transients and accidents.

This requirement shall be met before fuel loading.

II.D.3 RELIEF AND SAFETY VALVE POSTION INDICATION

Install positive indication in the control room of relief and safety valve position derived from a reliable valve position detection device or a reliable indication of flow in the valve discharge pipe.

This requirement shall be met before fuel loading.

II.E.1.2 AUXILIARY FEEDWATER INITIATION AND INDICATION

Install a control-grade system for automatic initiation of the auxiliary feedwater system that meets the single-failure criterion, is testable, and is powered from the emergency buses, and control-grade indication of auxiliary feedwater flow to each steam generator that is powered from emergency buses.

This requirement shall be met before fuel loading.

II.E.4.1 CONTAINMENT-DEDICATED PENETRATIONS

Provide a design of the containment isolation system for external recombiners or purge systems for postaccident combustible gas control, if used, that is dedicated to that service only and meets the single-failure criterion.

Review and revise, if necessary, the procedures for use of combustible gas control system following an accident resulting in a degraced core and release of radioactivity into the containment.

This requirement shall be met before fuel loading.

II.F.1 ADDITIONAL ACCIDENT MONITORING INSTRUMENTATION

Provide procedures for estimating noble gas, radioiodine, and particulate release rates if the existing effluent instrumentation goes off the scale.

This requirement shall be met before fuel loading.

II.F.2 INADEQUATE CORE COOLING INSTRUMENTS

Develop procedures to be used by operators to recognize inadequate core cooling with currently installed instrumentation in PWRS. Install a primary coolant saturation meter. Provide a description of any additional instruments or controls needed to supplement installed equipment to provide unambiguous, easy-to-interpret indication of inadequate core cooling, procedures for use of this equipment, analyses used to develop these procedures, and a schedule for installing this equipment.

This requirement shall be met before fuel loading.

II.G EMERGENCY POWER FOR PRESSURIZER EQUIPMENT

Motive and control components of the power-operated relief valves and associated block valves and the pressurizer level indication shall be capable of being supplied from the offsite power source or from the emergency power buses when offsite power is not available.

This requirement shall be met before fuel loading.

II.K.1 IE BULLETINS ON MEASURES TO MITIGATE SMALL-BREAK LOCAs AND LOSS OF FEEDWATER ACCIDENTS

C.1.5* Review all valve positions, positioning requirements, positive controls and related test and maintenance procedures to assure proper ESF functioning.

C.1.10 Review and modify, as required, procedures for removing safety-related systems from service (and restoring to service) to assure operability status is known.

C.1.17 For Westinghouse-designed reactors, trip the pressurizer low-level coincident signal bistables, so that safety injection would be initiated when the pressurizer low-pressure setpoint is reached regardless of the pressurizer level.

C.1.20 For B&W-designed reactors, provide procedures and training to operator for prompt manual reactor trip for loss of feedwater, turbine trip, main steamline isolation valve closure, loss of offsite power, loss of steam generator level, and low pressurizer level.

C.1.21 For B&W-designed reactors, provide automatic safety-grade anticipatory reactor trip for loss of feedwater, turbine trip or significant decrease in steam generator level.

C.1.22 For boiling water reactors, describe the automatic and manual actions necessary for proper functioning of the auxiliary heat removal systems that are used when the main feedwater system is not operable.

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*Table C-1 of the Action Plan lists all the requirements given in IE Bulletins.

C.1.23 For boiling water reactors, describe all uses and types of reactor vessel level indication for both automatic and manual initiation of safety systems. Describe other instrumentation that might give the operator the same information on plant status.

These requirements shall be met before fuel loading.

II.K.3 FINAL RECOMMENDATIONS OF B&O TASK FORCE*

C.3.9.** For Westinghouse-designed reactors, modify the pressure integral derivative controller, if installed on the PORV, to eliminate spurious openings of the PORV.

C.3.10. For Westinghouse-designed reactors, if the anticipatory reactor trip upon turbine trip is to be modified to be bypassed at power levels less than 50 percent, rather than below 10 percent as in current designs, demonstrate that the probability of a small-break LOCA resulting from a stuck-open PORV is not significantly changed by this modification.

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*The B&O recommendations were not specifically delineated as to fuel-loading or full-power requirements prior to the review of Sequoyah, North Anna 2, and Salem 2. The NRR staff is presently confirming compliance with these four items for these plants.

**Table C.3 of the Action Plan lists the requirements derived from final recommendations of the B&O Task Force.

C.3.11. Demonstrate that the PORV installed in the plant has a failure rate that is not significantly less than the valves for which there is an operating history.

C.3.12. For Westinghouse-designed reactors, confirm that there is an anticipatory reactor trip on turbine trip.

These requirements shall be met before fuel loading.

III.A.1.1 UPGRADE EMERGENCY PREPAREDNESS

Comply with Appendix E, "Emergency Facilities," to 10 CFR Part 50, Regulatory Guide 1.101, "Emergency Planning for Nuclear Power Plants," and for the offsite plans, meet essential elements of NUREG-75/111 or have a favorable finding from FEMA.

This requirement shall be met before fuel loading.

III.A.1.2 UPGRADE EMERGENCY SUPPORT FACILITIES

Establish an interim onsite technical support center separate from, but close to, the control room for engineering and management support of reactor operations during an accident. The center shall be large enough for the necessary utility personnel and five NRC personnel, have direct display or callup of plant parameters, and dedicated communications with the control room, the emergency operations center, and the NRC. Provide a description of the permanent technical support center.

Establish an onsite operational support center, separate from but with communications to the control room for use by operations support personnel during an accident.

Designate a near-site emergency operations facility with communications with the plant to provide evaluation of radiation releases and coordination of all onsite and offsite activities during an accident.

These requirements shall be met before fuel loading.

III.D.3.3 INPLANT RADIATION MONITORING

Provide the equipment, training and procedures necessary to accurately determine the presence of airborne radioiodine in areas within the plant where plant personnel may be present during an accident.

This requirement shall be met before fuel loading.

FULL-POWER LICENSE REQUIREMENTS

I.C.7 NSSS VENDOR REVIEW OF PROCEDURES

Obtain NSSS vendor review of power-ascension test and emergency procedures to further verify their adequacy.

This requirement must be met before issuance of a full-power license.

I.C.8 PILOT MONITORING OF SELECTED EMERGENCY PROCEDURES FOR NEAR-TERM OPERATING LICENSE APPLICANTS

Correct emergency procedures, as necessary, based on the NRC audit of selected plant emergency operating procedures (e.g., small-break LOCA, loss of feedwater, restart of engineered safety features following a loss of ac power, steam-line break, or steam-generator tube rupture).

This action will be completed prior to issuance of a full-power license.

I.G.1 TRAINING DURING LOW-POWER TESTING

Supplement operator training by completing the special low-power test program. Tests may be observed by other shifts or repeated on other shifts to provide training to the operators.

This requirement shall be met before issuance of a full-power license.

II.B.1 REACTOR COOLANT SYSTEM VENTS

Provide (1) a description of the design of reactor coolant system and reactor vessel head high point vents that are remotely operable from the control room; (2) analyses of loss-of-coolant accidents initiated by a break in the vent pipe; and (3) analyses demonstrating that direct venting of noncondensable gases with perhaps high hydrogen concentration limits dose not result in violation of combustible gas concentration limits in containment.

This requirement shall be met before issuance of a full-power license.

II.B.2 PLANT SHIELDING

Provide (1) a radiation and shielding design review that identifies the location of vital areas and equipment in which personnel occupancy may be unduly limited or safety equipment may be unduly degraded by radiation during operations following an accident resulting in a degraded core, and (2) a description of the types of corrective actions needed to assure adequate access to vital areas and protection of safety equipment.

This requirement must be met before issuance of a full-power license.

II.B.3 POSTACCIDENT SAMPLING

Provide (1) a design and operational review of the capability to promptly obtain and perform radioisotopic and chemical analyses of reactor coolant and containment atmosphere samples under degraded core accident conditions without excessive exposure, (2) a description of the types of corrective actions needed to provide this capability, and (3) procedures for obtaining and analyzing these samples with the existing equipment.

This requirement must be met before issuance of a full-power license.

II.B.4 TRAINING FOR MITIGATING CORE DAMAGE

Complete the training of all operating personnel in the use of installed systems to monitor and control accidents in which the core may be severely damaged.

This requirement shall be met before issuance of a full-power license.

II.E.1.1 AUXILIARY FEEDWATER SYSTEM RELIABILITY EVALUATION

(1) Provide a simplified auxiliary feedwater system reliability analysis that uses event-tree and fault-tree logic techniques to determine the potential for AFWS failure following a main feedwater transient, with particular emphasis on potential failures resulting from human errors, common causes, single point vulnerability, and test and maintenance outage.

(2) Provide an evaluation of the AFWS using the acceptance criteria of Standard Review Plan Section 10.4.9.

(3) Describe the design basis accident and transients and corresponding acceptance criteria for the AFWS.

(4) Based on the analyses performed modify the AFWS, as necessary.

These requirements shall be met before issuance of a full-power license.

II.E.3.1 EMERGENCY POWER FOR PRESSURIZER HEATERS

Install the capability to supply from emergency power buses a sufficient number of pressurizer heaters and associated controls to establish and maintain natural circulation in hot standby conditions.

The requirement shall be met before issuance of a full-power license.

II.E.4.2 CONTAINMENT ISOLATION DEPENDABILITY

Provide (1) containment isolation on diverse signals, such as containment pressure or ECCS actuation, (2) automatic isolation of nonessential systems (including the bases for specifying the nonessential systems), (3) no automatic reopening of containment isolation valves when the isolation signal is reset.

This requirement shall be met before issuance of a full-power license.

II.K.2	Commission Orders on Babcock & Wilcox Plants.
C.2.2	Procedures in training to initiate and control auxiliary feedwater water independent of Integrated Control System.
C.2.9*	For B&W-designed reactors, provide a failure mode and effects analysis of the Integrated Control System.
C.2.10	For B&W-designed reactors, install safety-grade anticipatory reactor trip for loss of feedwater and turbine trip.
C.2.13	For B&W-designed reactors, confirm by a detailed analysis of thermal-mechanical conditions in the reactor vessel during recovery from a small-break LOCA, with an extended loss of all feedwater requiring the use of the high-pressure injection system, that vessel integrity is not jeopardized.
C.2.14	For B&W-dewigned reactors, demonstrate that the power-operated relief valves on the pressurizer will open in less than five percent of all anticipated overpressure transients using revised setpoints and anticipatory trips for the range of pla conditions which might occur during a fuel cycle.
C.2.15	For B&W-designed reactors, analyze the effects of slug flow on once-through steam generator tubes after primary system voiding.
C.2.16	For B&W-designed reactors, evaluate the effect of reactor coolant pump damage and leakage following a small-break LOCA concurrent with a loss of offsite power that results in the loss of seal cooling.

---

* Table C.2 of the Action Plan lists all of the requirements of the Commission Orders.

These requirements shall be met before issuance of a full-power license.

II.K.3 FINAL RECOMMENDATIONS OF B&O TASK FORCE

C.3.3 Any failure of a PORV or safety valve to close should be reported to the NRC promptly. All challenges to the PORVs or safety valves should be documented in the annual report.

This requirement shall be met before issuance of a full-power license.

III.A.1.1 UPGRADE EMERGENCY PREPAREDNESS

Provide an emergency response plan in substantial compliance with NUREG-0654, "Criteria for Preparation and Evaluation of Radiological Emergency Response Plans and Preparedness in Support of Nuclear Power Plants" (which may be modified after May 13, 1980 based on public comments) except that only a description of and completion schedule for the means for providing prompt notification to the population (App. 3), the staffing for emergencies in addition to that already required (Table B.1), and an upgraded meteorological program (App. 2) need be provided. NRC will give substantial weight to FEMA findings on offsite plans in judging the adequacy against NUREG-0654. Perform an emergency response exercise to test the integrated capability and a major portion of the basic elements existing within emergency preparedness plans and organizations.

This requirement shall be met before issuance of a full-power license.

III.D.1.1 PRIMARY COOLANT SOURCES OUTSIDE CONTAINMENT

Reduce leakage from systems outside containment that would or could contain highly radioactive fluids during a serious transient or accident to as-low-as-practical levels, measure actual leak rates and establish a program to maintain leakage at as-low-as practical levels and monitor leak rates.

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*Table C.3 of the Action Plan lists all of the recommendations of the B&O Task Force.

This requirement shall be met before issuance of a full-power license.

III.D.3.4 CONTROL ROOM HABITABILITY

Identify and evaluate potential hazards in the vicinity of the site as described in SRP Sections 2.2.1, 2.2.2, and 2.2.3, confirm that operators in the control room are adequately protected from these hazards and the release of radioactive gases as described in SRP Section 6.4, and, if necessary, provide the schedule for modifications to achieve compliance with SRP Section 6.4.

This requirement shall be met by issuance of a full-power license.

NRC ACTIONS

I.B.2.2 REACTOR INSPECTOR AT OPERATING REACTORS

A NRC resident inspector will be assigned to each site.

This action will be completed before fuel loading.

I.D.1 CONTROL ROOM DESIGN REVIEW

NRC review of applicant's preliminary assessment of the control room design to determine whether the assessment is adequate and identify any necessary corrections and approve the schedule for correction of the deficiencies.

This action will be completed prior to fuel loading.

II.B.7 ANALYSIS OF HYDROGEN CONTROL

Reach a decision on the immediate requirements, if any, for hydrogen control in small containments and apply, as appropriate, to new OLs pending completion of the degraded core rulemaking in II.B.8 of the Action Plan.

This action is to be completed before issuance of a full-power license.

II.B.8 DEGRADED CORE - RULEMAKING

Issue an advance notice of rulemaking on requirements for design and other features for accidents involving severely damaged cores.

This action is to be completed before issuance of a full-power license.

III.A.3.1 ROLE OF NRC IN EMERGENCY PREPAREDNESS

More explicitly define the role of the NRC in emergency situations involving NRC licenses.

This action was completed in a meeting between the staff and the Commission on February 6, 1980.

III.A.3.3 COMMUNICATIONS

Install direct dedicated telephone lines between each plant and the NRC Operations Center.

This action is to be completed prior to fuel loading.

III.B.2 IMPLEMENTATION OF NRC AND FEMA RESPONSIBILITIES

The applicant emergency plans shall meet the requirements of Appendix E to 10 CFR 50 and, the positions in Regulatory Guide 1.101 (Mar. 1977). Offsite plans shall meet the essential planning elements in NUREG-75/111 and Supplement 1 thereto or receive a favorable finding by FEMA.

This requirement shall be met before fuel loading.

III.D.2.4 OFFSITE DOSE MEASUREMENTS

The NRC will place approximately 50 thermoluminescent dosimeters (TLDs) around the site in coordination with the applicant and State environmental monitoring program.

This action will be completed prior to issuance of a full-power license.

IV.F.1 POWER-ASCENSION TEST

IE will monitor the power-ascension test program to confirm that safety is not compromised because of the expanded startup test program and economic costs of the delay in commercial operation.

This action will be taken during the startup and power-ascension test program.

PROPOSED CHANGES TO U.S. NUCLEAR REGULATORY COMMISSION
FY 1980 BASE TABLE
(Dollars in Thousands)

Program	Previous Base*	Proposed Programmatic Change	Revised Base
Nuclear Reactor Regulation			
Casework and Technical Projects.	$ 14,565	$ -272 2/	$ 14,293
Safeguards	-	-	-
Advanced Reactors	1,315	-500 3/	815
All Other 1/	39,290	+772 4/	40,062
Subtotal	55,170	-	55,170
Standards Development			
Safeguard Standards	2,307	-	2,307
All Other 1/	11,095	-	11,095
Subtotal	13,402	-	13,402
Inspection and Enforcement			
Fuel Facilities and Materials Safety, Management Direction and Support	1,935	+100 5/	2,035
Safeguards	1,000	-	1,000
All Other 1/	37,849	-100 6/	37,749
Subtotal	40,784	-	40,784
Nuclear Material Safety and Safeguards			
Waste Management	8,706	-	8,706
Safeguards	1,800	-	1,800
All Other 1/	17,779	-	17,779
Subtotal	28,285	-	28,285
Nuclear Regulatory Research			
Light Water Reactors	116,945	-	116,945
Fast Breeder Reactor	13,700	-	13,700
Advanced Converter	1,700	-	1,700
Site, Waste, Environment, Risk, and Fuel Cycle	25,876	-	25,876
Safeguards	4,000	-	4,000
Improved Reactor Safety	1,000	-	1,000
Equipment	7,737	-	7,737
All Other 1/	8,930	-	8,930
Subtotal	179,888	-	179,888
Program Technical Support 1/	15,100	-	15,100
Program Direction and Administration 1/	33,316	-	33,316
Total New Obligational Authority .	365,945	-	365,945
Unobligated Balance Carryover	3,022	-	3,022
TOTAL OBLIGATIONAL AVAILABILITY ..	$ 368,967	$ -	$ 368,967

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* Reference FY 1980 Base Table as of March 31, 1980, provided to Congress on April 9, 1980.

1/ Includes the following items which received a specific change by Congress, but not applied to specific programs:

Administrative Support	35,273	-	35,273
Travel	7,500	-	7,500

The following explanatory footnotes are augmented by the data contained in Enclosures 1 and 3 of this letter:

2/ Represents the net effect of implementing the TMI Action Plan tasks that come under the two Decision Units constituting this reprogramming control line through internal redirection of resources. The reduction of $272,000 represents the deferral or reducing of lower priority non-TMI related efforts. Primarily these include: the deferral of work on generic issues that are not TMI related issues or "Unresolved Safety Issues", the reduction of some of the planned improvements to the Standard Review Plan; and the reduction of some generic studies to develop NRC licensing positions that are not specifically case-related.

3/ This reduction of $500,000 represents resources for Congressional initiative to review an HTGR preapplication that was anticipated to be tendered in FY 1980. The current NRC caseload forecast does not anticipate this review to be tendered until 2/82. Therefore, these resources will not be required for the preapplication review, and are available to be applied to higher priority TMI Action Plan issues.

4/ Represents the net effect of implementing the TMI Action Plan tasks that come under the Operating Reactors Decision Unit that is within this reprogramming control line through internal redirection of resources. The increase of $772,000 along with the internal redirection of $822,000 provides for implementing those TMI Action Plan tasks identified in Enclosure 3 of this letter as fuel-loading, low-power testing and full-power license requirements for all Operating Reactors.

5/ The increase of $100,000 will be added to previously internally redirected resources of $285,000 under the Management Direction and Support Decision Unit that is within this reprogramming control line. These funds together with $400,000 to be made available from the NRC's FY 1980 Supplemental will provide for a feasibility study of the nuclear data link system (TMI Action Plan Task III.A.3.4.), as part of upgrading of NRC's Operations Center at Headquarters.

6/ The decrease of $100,000 represents the deferral of a lower priority contractual effort to assist I&E in determining what the physical inspection priorities should be for operating pressurized water reactors. This work would have been done under the Reactor Operations Decision Unit within this reprogramming control line.

May 29, 1981

The Honorable Tom Bevill, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

As a result of recent Congressional actions in regard to the FY 1981 Supplemental Appropriation and due to our ongoing efforts to get back on schedule in issuing licenses, we are requesting authority to reprogram certain FY 1981 funding availability.

No funds have been included in the FY 1981 Supplemental Appropriations Bill (H.R. 3512) for NRC for the October 1, 1980 pay raise. We estimate that an additional $2,750,000 will be needed to fund this pay raise. You will note that this amount is $1,750,000 less than our previous request of $4,500,000. This reduction is due primarily to the hiring freeze lasting longer than anticipated.

An additional $3,990,000 is needed in FY 1981 for our "Licensing Recovery Plan" to support the construction permit licensing and operating reactor licensing schedules reported to the House Subcommittee on Energy and Water Development on April 30, 1981, and to maintain the pace of other Nuclear Reactor Regulation programs through technical assistance while releasing on-board NRR staff to work on casework recovery efforts. In addition, $1,130,000 is needed to expedite implementation of NRC's revised reactor operator licensing and requalification procedures. It should be noted that a major source of the funds for the licensing recovery plan and reactor operator licensing is funds appropriated for the nuclear data link. Sufficient FY 1981 funds ($800,000) will remain, however, to initiate our NDL prototype program. We currently estimate that this program will cost a total of $1,000,000.

The details of these reprogramming actions are included in the enclosure.

In order to implement these high priority efforts, we would appreciate your early consideration of these proposed reprogrammings.

Sincerely,

Original signed by
Joseph M. Hendrie

Joseph M. Hendrie
Chairman

Cleared with all Cmrs' Offices by SECY C/R.
Ref.-CR-81-083.

Indentical letters sent t
See attached sheet.

Enclosure:
As Stated

Originating Office: EDO/CON

▸		SECY	OCA	OCM	OCM	
cc:	Rep. John Myers	TCombs	SKent			
		5/27/81	5/27/81	5/28/81	5/26/81	

Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510

cc: Senator J. Bennett Johnston

The Honorable Morris Udall, Chairman
Subcommittee on Energy and the Environment
Committee on Interior and Insular Affairs
United States House of Representatives
Washington, D.C. 20515

cc: Rep. Manuel Lujan

The Honorable Richard Ottinger, Chairman
Subcommittee on Energy Conservation and Power
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

cc: Rep. Carlos Moorhead

The Honorable Alan Simpson, Chairman
Subcommittee on Nuclear Regulation
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

cc: Senator Gary Hart

U. S. Nuclear Regulatory Commission
Requested Reprogramming Actions
(Dollars in Thousands)

1. To fund the October 1, 1980 pay raise as a result of current Congressional action to delete the pay raise supplemental for NRC.

To:	Office of Nuclear Regulatory Regulation (NRR)	$ 690
	Office of Standards Development (SD)	140
	Office of Inspection and Enforcement (IE)	830
	Office of Nuclear Material Safety and Safeguards (NMSS)	250
	Office of Nuclear Reactor Research (RES)	160
	Program Technical Support (PTS)	160
	Program Direction and Administration (PDA)	470
		$2,750
From:	FY 1980 Unobligated Carryover	$2,485
	Deobligations of Prior-Year Funds in FY 1981	265
		$2,750

NRC's FY 1980 unobligated carryover totaled $11,996,000. Of this amount, $5,000,000 was used to fund programs in FY 1981 approved by the Appropriations Committees for which FY 1981 appropriations were not provided and $4,489,000 was used to fund FY 1980 commitments, leaving a remaining balance of $2,485,000.

The deobligation of prior-year funds occurs when old contracts, work orders, travel authorizations, purchase orders, etc. are completed and closed out and in many cases, the obligated amount exceeded the actual cost incurred.

2. To fund the Office of Nuclear Reactor Regulation's Licensing Recovery Plan and accelerate efforts in implementing NRC's revised and more comprehensive procedures for licensing reactor operators and conducting annual requalification examinations.

To: NRR

A.	Licensing Recovery Plan	$3,990
B.	Accelerate Efforts for Operator Licensing	1,130
		$5,120

From:	NRR	- Excess funds in support of Congressional initiative for HTGR preapplication review as no application is expected to be tendered in FY 1981 or FY 1982.	$ 800
	IE	- Reduce Nuclear Data Link funding based on current Congressional Action on NRC's FY 1982 Authorization Bill.	2,165
	NMSS	- Excess funds due to lower than anticipated number of license applications in Uranium Recovery Licensing.	380
	PDA	- Projected several small underruns.	205
	Deobligations of Prior-Year funds in FY 1981.		1,570
			$5,120

CHAIRMAN

WASHINGTON, D.C. 20555

June 22, 1982

The Honorable Tom Bevill, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

As a result of the pay raises provided October 1, 1981 in accordance with the provisions of P.L. 91-656, as amended, and January 1, 1982 in accordance with the provisions of P.L. 97-92, we are requesting authority to reprogram certain FY 1982 funds.

The details of these reprogramming actions are included in the enclosure.

We would appreciate your early consideration of these proposed reprogrammings.

Sincerely,

Original signed by
Nunzio J. Palladino
Nunzio J. Palladino

Enclosure:
As stated

cc: Rep. John T. Myers

Treated as Chairman Correspondence.
Ref.-CR-82-72

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Subject File

Originating Office: EDO/ORM/Budget

OFFICE▶	SECY	OCA	OCM	OCM	OCM	
SURNAME▶	TCombs TLC	SKent	JMcDermott	NHaller	NJPalladino	
DATE▶	6/18/82	6/18/82	6/22/82	6/22/82	6/22/82	

OFFICIAL RECORD COPY

U.S. NUCLEAR REGULATORY COMMISSION
Requested Reprogramming Actions
(Dollars in Thousands)

1. To fund the October 1, 1981 and January 1, 1982 pay raises.

To:	Office of Nuclear Reactor Regulation (NRR)	$ 1,300
	Office of Inspection and Enforcement (IE)	1,455
	Office of Nuclear Material Safety and Safeguards (NMSS)	470
	Office of Nuclear Regulatory Research (RES)	470
	Program Technical Support (PTS)	520
	Program Direction and Administration (PDA)	985
		$ 5,200
From:	FY 1981 Unobligated Carryover	$ 3,528
	Deobligations of Prior-Year Funds in FY 1982	1,672
		$ 5,200

NRC's FY 1981 unobligated carryover totaled $6,100,000. Of this amount, $2,572,000 was used to fund FY 1981 commitments, leaving a remaining balance of $3,528,000.

The deobligation of prior-year funds occurs when old contracts, work orders, travel authorizations, purchase orders, etc. are completed and closed out and the obligated amount exceeds the actual cost incurred.

Identical letters sent to:

The Honorable Richard L. Ottinger, Chairman
Subcommittee on Energy Conservation and Power
Committee on Energy and Commerce
United States House of Representatives
Washington, D.C. 20515

cc: Rep. Carlos Moorhead

The Honorable Mark O. Hatfield, Chairman
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510

cc: Sen. J. Bennett Johnston

The Honorable Alan Simpson, Chairman
Subcommittee on Nuclear Regulation
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

cc: Sen. Gary Hart

The Honorable Morris Udall, Chairman
Subcommittee on Energy and the Environment
Committee on Interior and Insular Affairs
U. S. House of Representatives
Washington, D.C. 20515

cc: Rep. Manuel Lujan

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
WASHINGTON, D.C. 20590

OFFICE OF
THE ADMINISTRATOR

IN REPLY REFER TO:
HCC-10

The Honorable Robert T. Stafford
Chairman, Committee on Environment
and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I appreciate having the opportunity to present written testimony on the Fiscal Year 1984 Budget Estimate of the Federal Highway Administration (FHWA), since the time constraints of the Committee's budget schedule do not permit us to appear before the Committee. Enclosed are our responses to the Committee questions which you submitted to the FHWA by way of letter dated February 7, 1983.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely yours,

Enclosure

FHWA FY 1984 BUDGET REQUEST

QUESTION: Please discuss in detail the budget request for fiscal year 1984. How do these figures compare to the amounts actually obligated in fiscal year 1982 and appropriated in fiscal year 1983?

ANSWER: Following is a detailed summary of the budget authority, obligations and outlays for fiscal years 1982, 1983 and 1984 for the FHWA as shown in the President's Budget for FY 1984:

(dollars in thousands)

	FY 1982	FY 1983	FY 1984
Budget Authority	$8,765,277	$13,184,111	$13,932,495
Obligations (program level)	8,532,539	13,045,781	13,448,811
Outlays	7,988,256	8,817,107	12,041,093

BASIS FOR FHWA FY 1984 BUDGET REQUEST

QUESTION: Please discuss the rationale for the increases or decreases in the level of funding for fiscal year 1984. In the programs where reductions have been made, what specific areas of the program will be reduced or eliminated, and what will be the effect of these reductions? In areas where programs are increased, what will the additional funds provide? If there is no change in funding from last year, have any changes been made in program priorities?

ANSWER: FHWA's budget request for FY 1984 represents a significant increase for Federal-aid highway programs, in accordance with the authority provided by the Surface Transportation Assistance Act of 1982. Our proposal generally follows that legislation except that we are proposing a reduction of $150 million in the obligation limitation for Federal-aid highways for FY 1984 -- from $12.75 billion to $12.6 billion. The programs that would be exempt from that limitation are the same ones that are exempt under the Surface Transportation Assistance Act.

FHWA PROPOSED ACTION RESPECTING EMPLOYMENT LEVELS

QUESTION:	What personnel increases or decreases are being proposed? How will this affect the agency's ability--including any additional time it may take to carry out its program responsibilities?
ANSWER:	There are no increases or decreases in our full-time permanent staffing proposed in FY 1984. We are proposing to reduce our other than full time permanent workyears by 50 from FY 1983 to FY 1984. We do not feel that this reduction will affect our ability to carry out our program responsibilities.

RESCISSIONS, DEFERRALS, SUPPLEMENTALS

QUESTION: Please discuss any rescissions, deferrals or supplementals requested.

ANSWER: We are proposing one rescission for FY 1983. The second continuing resolution for 1983 authorized $23.2 million for the Dodge Island Bridge in Miami, Florida. The Surface Transportation Assistance Act of 1982 also provided an authorization for this project in the amount of $23 million. Our proposed rescission would simply eliminate the $23.2 million authorization contained in the continuing resolution, which authorization was duplicative and unneeded.

We are proposing no deferrals of budget authority in our FY 1984 budget request.

We are requesting a FY 1983 supplemental appropriation of $300 million in liquidating cash for the Federal-aid Highways account to ensure that sufficient funds are available to reimburse the States that will request a waiver of the 36-month payback provisions on Advanced Construction Interstate projects.

We are requesting a supplemental appropriation for FY 1983 in the Motor Carrier Safety account in the amount of $209 thousand and an increase in the Limitation on General Operating Expenses account in the amount of $2.743 million to cover the increased salary costs associated with the October 1982 pay raise.

We are also requesting that the obligation limitation on Federal-aid Highways for fiscal years 1983 and 1984, which are included in the Surface Transportation Act of 1982, be reduced by $500 million and $150 million, respectively. These reductions are requested to control outlays and thereby reduce the Federal budget deficit.

LEGISLATIVE INITIATIVES ASSOCIATED WITH FHWA FY 1984 BUDGET REQUEST

QUESTION:	Please indicate if any legislative initiatives are necessary, or are being considered, to implement any part of the agency's fiscal 1984 budget request. If so, please describe these proposals.
ANSWER:	We are requesting an appropriation of $80 million from the Highway Trust Fund for the Appalachian Regional Highway System. At present, the program responsibility and funding authorizations for this program are vested in the Appalachian Regional Commission. Therefore, a legislative proposal will be submitted to transfer the responsibility for this program to the Federal Highway Administration and to authorize funding from the Highway Trust Fund.

FHWA MEASURES TO FOSTER ENVIRONMENTAL VALUES

QUESTION: What measures are being taken now and what future measures are being planned by the Federal Highway Administration and the Department of Transportation to ensure that environmental values will be considered and, where appropriate, promoted at all stages of the decision-making process?

ANSWER: The Federal Highway Administration (FHWA) is taking steps in five areas to ensure that environmental values will be considered and promoted at all stages of the project development process. These areas are: (1) program reviews; (2) training for State and FHWA field personnel; (3) field reviews of individual highway projects; (4) maintenance of multidisciplinary staff; and (5) pursuit of a one-stop environmental process. Each will be discussed in turn.

(1) Program reviews are currently underway to review: (a) State highway agency practices and problems on public participation in project development; (b) Ecological issues (including wetlands, endangered species, coastal zone management, fish and wildlife coordination, Section 404 permits, and ground water); (c) Technical tools and capability of State highway agencies in analysis and mitigation of traffic noise impacts; and (d) Background analyses and adequacy of support for environmental documents required by the National Environmental Policy Act.

(2) A broad range of training courses have been developed by FHWA to provide training in environmental areas. These courses cover:

- Noise
- Air Quality
- Energy
- Ecology
- Water Quality
- Community Involvement
- Effective Public Meetings
- Social and Economic Considerations
- Esthetics
- Historic Preservation
- Archeological Preservation

Fourteen such courses have been developed and have been presented more than 400 times to over 13,000 enrollees during the last 10 years. Nine of the courses are scheduled to be presented in FY 1983, with the remainder available upon request.

(3) The FHWA Headquarters staff visits and reviews all important highway projects on the site in the early development stages to identify and resolve potential environmental problems at the earliest possible stage.

(4) The Headquarters office maintains a broad-based multidisciplined staff to review the environmental aspects of proposed highway projects and to provide assistance to individual States on difficult projects. These disciplines include social science, community planning, architecture, archeology/history, ecology, geography, aesthetics, landscape architecture, noise and air quality engineering, and highway engineering.

(5) The FHWA seeks out opportunities to implement a one-stop environmental process so that all environmental concerns can receive equal consideration at the same time, rather than an unbalanced consideration that usually results from a sequential process where the environmental elements are considered separately.

FHWA EMPLOYMENT LEVELS

QUESTION: What are your present levels of: (1) permanent, full-time, and (2) permanent, part-time positions? Last year you estimated that 276 full-time permanent employees would be separated between February 28, 1982 and September 30, 1982. How many separations (of both full-time and part-time employees) did occur during that time period, and of that number, how many were minorities and women? During that same period how many full-time permanent employees were shifted to part-time, and when will those who would prefer full-time employment be able to return to that status?

ANSWER: The end-of-year (FY 1983) target for FHWA is 3370 full-time permanent positions. Part-time permanent positions are allocated out of the "all other" ceiling category. As of January 31, 1983, on board employees totaled:

(1) Full-time permanent -- 3323
(2) Part-time permanent -- 120

For the period February 28, 1982, through September 30, 1982, FHWA reported:

(1) Separations: full-time permanent -- 304
(minorities and women) -- 97

(2) Separations: part-time permanent -- 12
(minorities and women) -- 11

(3) Conversion of employees from full-time permanent to part-time permanent -- 41

FHWA does not have information regarding the number of part-time permanent employees who prefer returning to full-time status. Thus, there is neither a timetable nor a plan for undertaking such actions.

FHWA TRAINEE PROGRAM

ESTION: The FHWA has over the years administered an engineer and planner trainee program along with other training activities. What is the status of those efforts at this time? Also, as the highway program is being expanded, is there a possibility of a shortage of trained professionals in the Federal-aid highway field?

NSWER: Because of the significant employment reductions over the past three fiscal years (approximately 750) and the related reduction in force, it was necessary to abandon the formal FHWA training program. However, in view of the recently enacted highway legislation and expanded program we have decided to reactivate the training program on a moderate scale. In this regard, we plan to recruit 30 graduating engineers for the program during FY 1983. We plan to use this program to fill current and projected program needs.

NEW FEDERALISM AND THE HIGHWAY PROGRAM

QUESTION: When will the "New Federalism" initiative be proposed, and how much of an effect do you see it potentially having on highway programs? Do you anticipate that the structure of the FHWA will be changed under a federalism initiative?

ANSWER: The Department is now working with OMB to develop a legislative proposal for the transportation portion of a new federalism initiative. The current target date for its submission to Congress is within the next month.

It has been stated that the Federal-aid highway program as it currently exists is an excellent example of the "new federalism" philosophy at work. From its beginning, this program has been administered with significant participation of State and local officials. In this partnership with the States, these officials select the projects, administer the contracts, and operate the facilities constructed.

Under the new federalism concept, the role of States and local governments would be further expanded by allowing them to receive a block grant for certain highway programs which are of primary interest at the local levels. States and localities would have full authority to establish their own priorities and administer these programs for any activity that is eligible under chapter 1 of Title 23, United States Code.

We do not anticipate any major structural changes in the FHWA since the size of our remaining Federal interest programs has been substantially increased as a result of the 1982 Surface Transportation Assistance Act.

Senator Stafford
Question 5

1983 HIGHWAY NEEDS REPORT

QUESTION: When will the new highway needs report be submitted to Congress?

ANSWER: The 1983 highway needs report is nearing completion. We hope to submit the report to Congress next month.

HIGHWAY TRUST FUND BALANCE

QUESTION: What is the current balance in the Highway Trust Fund? What will it be at the end of fiscal year 1983, both with the proposed $500 million cut in obligational authority and without the cut? What effect will a decrease in obligational authority for fiscal year 1983 have on reducing deficits and moving toward a balanced budget?

ANSWER: We anticipated that the gas tax bill we proposed to Congress would have the effect of reducing the Federal deficit in the early years. However, the Surface Transportation Assistance (STA) Act, as passed, had higher authorizations than we had proposed, and, because truck taxes are generally lower and phased in more slowly than we had proposed, lower user fee revenues in the first few years. As a result, with authorizations and obligation ceilings as contained in the STA Act, programs financed by the Highway Trust Fund would contribute some $2.36 billion to the Federal deficit in FY 1983, in accordance with Treasury Department accounting assumptions. The impact of the proposed FY 1983 obligation limitation reduction on the deficit in 1983 would be a reduction in the deficit of about $35 million.

The most current report of the status of the Highway Trust Fund is as of November 30, 1982, and indicates that the balance as of that date was $8.353 billion. We estimate that the balance in the Trust Fund at the end of FY 1983 will be $9.956 billion with the proposed reduction of $500 million in the 1983 obligation limitation, or $9.921 billion without the reduction.

JOBS CREATED

QUESTION: How much impact will there be on job creation if States are able to immediately obligate federal highway funds? How will job creation be affected if the fiscal year 1983 obligation limitation is reduced by $500 million? It has been estimated that only a miniscule percentage of those newly created jobs will be filled by women and minorities. Do you have updated figures on the job creation effects overall and, in particular, on minorities and women?

ANSWER: The total number and rate of jobs created is contingent upon total investment and investment timing. From an earlier study of jobs creation in connection with the highway program, we estimate that approximately 2 months elapse between the letting of a contract and the actual start of work. Obviously, the sooner those contracts can be let, the sooner jobs actually begin. We had estimated that the 5-cent increase in user fees would produce about 170,000 additional on- and off-site jobs in highway construction and repair and transit capital projects. About 145,000 of those jobs would have resulted from projected increases in highway funding. That estimate was based on an estimated increase in the highway program level of about $4.4 billion. Even with the proposed reduction in the FY 1983 obligation limitation, the total Federal highway program level increase from FY 1982 to FY 1983 would be about $4.5 billion. We would expect that the number of new jobs created as a result of the highway program may be slightly higher than our earlier estimate. The proposed limitation in 1983 represents a reduction in the total program level of about 4 percent. As a result of the proposed reduction, approximately 15,450 fewer additional jobs might be created. These estimates of jobs created directly by the increased funding do not include the additional jobs induced by repeated spending of wages and profits. Fiscal Year 1982 data is currently being processed on job effects on minorities and women. However, employment data for all Federal-aid highway projects as of July 31, 1981, indicated that 23 percent of all employees on those projects were minorities and 5 percent were women.

MINORITY BUSINESS ENTERPRISE PROGRAM

QUESTION: What progress has been reached in encouraging minority business participation in programs and projects administered by the Federal Highway Administration? The Secretary is authorized to administer training programs for minority businesses and may use up to $10 million to carry out this program. How much will be spent in fiscal years 1983 and 1984 for this program?

ANSWER: The table below shows the growth in Federal-aid minority business enterprise (MBE) awards during the past 8 years.

Fiscal Year	Dollar Value MBE Awards
1975	$ 27,848,017
1976	63,800,584
1977	71,533,983
1978	126,089,138
1979	163,701,850
1980	232,744,412
1981	355,180,860
1982	415,543,120

The $10 million funding level for MBE was established in section 119(b) of the Surface Transportation Assistance Act of 1982. Section 119(b) will not be implemented until FY 1984, since a total of $10 million has already been appropriated for FY 1983 pursuant to 23 U.S.C. 140(b). These funds will be used to fund both the on-the-job training (OJT) supportive services program and the MBE supportive services program. We plan to use approximately $5.5 million for the OJT program and $4.5 million for the MBE.

During FY 1984, we plan to spend the full $10 million on the MBE program, assisting minority businesses to achieve proficiency to compete on an equal basis for contracts and subcontracts in the highway program, and $5 million on the OJT program.

INTERSTATE COMPLETION

QUESTION: In order to finally complete the Interstate System as planned, some very expensive urban projects must be constructed. Since many of them are of primarily local and regional significance, do you believe the projects should be completed no matter what the cost, or should another look be taken at redefining what is meant by completion of the Interstate?

ANSWER: We do not believe there is a need for further Federal redefinition of Interstate completion at this time. The completion and preservation of the Interstate System constitutes the highest of our priorities. The Federal-Aid Highway Act of 1981, which provided for a redefinition of Interstate completion and reduced the estimated cost to complete the system from $53.8 billion to $38.9 billion, together with increased authorization levels provided by the Surface Transportation Assistance Act of 1982 should enable us to complete the Interstate System by early 1990's. Regarding expensive uncompleted urban projects, State and local officials are considering less costly, scaled-down Interstate facilities in place of some projects included in the Interstate Cost Estimate. The option for withdrawal and substitution of Interstate segments not needed for system connectivity provides additional flexibility for modifying the system as planned. We will continue our oversight of these projects to assure that they are built in a cost-effective manner.

PROGRAM EMPHASIS AREAS

QUESTION: What are FHWA's program emphasis areas for fiscal year 1983, and what changes, if any, have been made to those objectives since passage of the Surface Transportation Assistance Act of 1982?

ANSWER: There are seven program emphasis areas (PEA's) for fiscal year 1983; they are:

I. Cost Avoidance, Reduction, and Efficiency (CARE) Program

II. Pavement Management

III. Technology Transfer and Adoption

IV. Quality and Cost Effectiveness in Design, Construction, and Operation

V. Highway Safety

VI. Transportation of Hazardous Materials

VII. Human Resources Utilization

Objective statements for each of the PEA's were initially structured so that they could fit an expanded FHWA program. Thus, no changes have been necessary in the FY 1983 PEA's due to passage of the STAA. The process for selecting PEA's for FY 1984 will be beginning soon, and any program changes resulting from the Surface Transportation Assistance Act of 1982 will be a major consideration.

Senator Stafford
Question 11

OBLIGATION OF HIGHWAY FUNDS

QUESTION: How quickly are States moving to obligate federal highway funds? Do there seem to be any serious problems at present in quickly putting out these funds?

ANSWER: President Reagan signed the Surface Transportation Assistance Act of 1982 into law on January 6, 1983. Except for certain discretionary funds, all Interstate and non-Interstate funds authorized by the Act were apportioned to the States on the same day. Obligations during January amounted to $902 million, the second best January level in the past 10 years. February obligations indicate this high rate is continuing.

USER COST RESEARCH

QUESTION: The Department of Transportation recently completed a major study of highway cost allocation. What further research is planned by FHWA in the areas of pavement costs and highway user charges? What type of nationwide data collection of pavement performance is presently underway, and should a systematic, long-term roadway monitoring program be established?

ANSWER: There are a number of research efforts concerning pavement costs and highway-user costs currently underway in the FHWA. Examples of pavement cost research include: Systemwide Pavement Deterioration Analysis; Impact of Pavement Maintenance on Damage Rate; Reduced Pavement Damage Through Improved Axle Configurations for Heavy Vehicles; and Improved Prediction of Equivalent Axle Loadings--An Element in Pavement Design. Two examples of research into highway-user costs are Development of Arterial Speed Profile and Fuel Consumption Relationships; and Vehicle Operating Costs, Fuel Consumption, and Pavement Type and Condition Factors.

Currently, the FHWA has underway a nationwide data collection activity, through which systemwide pavement condition data is reported by the States to the FHWA through the Highway Performance Monitoring System (HPMS). Also, in response to Section 506 of the Surface Transportation Assistance Act of 1978, the FHWA, in cooperation with the American Association of State Highway and Transportation Officials (AASHTO) Joint Task Force on Pavements and eight participating States, established the Long-Term Pavement Monitoring (LTM) Program. The purpose of the LTM Program was to establish a set of pilot studies (1 year in length) to determine the costs and benefits of obtaining detailed data on pavement performance, axle loads, and environmental factors as they are being applied to specific pavement sections over time. In addition, a task force comprised of representatives from AASHTO, FHWA, participating States, and the university community has been established to develop future plans for the LTM Program to include all States and place the Program on a sound statistical sample basis. It appears that approximately 2,000 1-mile sections will need to be monitored for at least 10 years to produce the information needed to accurately examine the relationship between pavement design, axle loads, and environmental factors.

TOLL ROADS

QUESTION: Do you believe that toll financing of highways should be encouraged? If so, are you presently studying this financing option?

ANSWER: Toll financing of highways has recently received considerable attention as a part of the effort at the Federal, State, and local levels to examine all financing mechanisms with potential for increasing highway revenues to meet pressing highway needs. Permitting toll financing for construction of Federal-aid highway projects is appropriate under certain circumstances and is consistent with our efforts to provide increased flexibility to States in administering their transportation programs.

The Administration's highway legislative proposal contained a provision that would have permitted toll financing for new Federal-aid highways subject to certain agreements, but that provision was not included in the recently enacted highway bill. We will examine this issue in the upcoming year to assess appropriate changes in Federal toll policy.

FHWA REORGANIZATION

QUESTION: Do you anticipate further reorganization within FHWA? Will there be a proposal to merge the Federal Highway Administration and the Urban Mass Transit Administration into a single surface transportation agency?

ANSWER: There is a reorganization presently in progress that affects only the internal office structures of our regional offices. We are not presently considering the merger of the Federal Highway Administration and the Urban Mass Transportation Administration into a single surface transportation agency, although we would want to reserve future consideration of possible reorganization of the Department's various surface transportation safety responsibilities.

TESTIMONY OF ROBERT A. JANTZEN, DIRECTOR, U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR, PREPARED FOR THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS CONCERNING THE FY 1984 PROPOSED BUDGET FOR THE U.S. FISH AND WILDLIFE SERVICE

FEBRUARY 17, 1983

Mr. Chairman, I appreciate the opportunity to discuss the President's proposed fiscal year 1984 budget for the U.S. Fish and Wildlife Service. This is the third Fish and Wildlife Service budget to be submitted to Congress under the administration of President Reagan and Secretary Watt and the second that I have participated in since becoming Director of the agency. Given the lean fiscal times we are facing, I am pleased with the overall direction of this proposal.

Secretary Watt has recently submitted to the President the 1982 annual report of the Department of the Interior, entitled "A Year of Progress: Preparing for the Twenty-First Century." In the report, Secretary Watt notes that "the theme of 1981 was change; the theme of 1982 has been progress." I strongly echo the Secretary's observation with regard to the Fish and Wildlife Service's 1982 program. During FY 1983 and FY 1984 I believe the Service will continue to make substantial strides toward achieving the dual objective that has governed this Administration's philosophy of natural resource management. This philosophy emphasizes being good stewards of our natural resources and good neighbors to the States. To be good stewards we must properly manage the resources under our care before we try to expand our responsibilities. Taking care of what we have is a major theme of our FY 1984 budget proposal. New initiatives such as the Accelerated Refuge Maintenance and Management Program and the Capital

Development and Maintenance Program are designed not only to halt deterioration in existing habitats and facilities but also to make more efficient use of those lands and facilities for the public and the fish and wildlife resources under our care.

Before turning to an explanation of the FY 1984 budget, I would like to briefly recap some of our accomplishments over the past year.

During 1982, the Service completed the National Waterfowl Management Plan that establishes goals and objectives for cooperative State-Federal actions on conserving waterfowl. We are currently developing the implementation strategies for the plan and in doing so are coordinating closely with our Canadian neighbors to the north. In addition to improving the existing management framework, the Service continued to make progress in its efforts to protect waterfowl and other wildlife habitat through acquisition and other means. Approximately 86,000 acres of wetland habitat for migratory birds has been purchased in the last two years, largely from funds received from the sale of Migratory Bird Hunting and Conservation Stamps.

The private sector also has a substantial contribution to make in the conservation of fish and wildlife habitat. A good example of this is the National Wetlands Conservation Project, a five-year, $50-million private - public effort recently announced by the Nature Conservancy and the Richard King Mellon Foundation. In order to encourage this type of cooperation, Secretary Watt along with former Governor of Alabama Fob James, is co-chairing a special task force know as POWDR (Protect our Wetlands and Duck Resources) made up of representatives of Federal and State governments, private organizations and corporations.

In another area related to habitat conservation, the Fish and Wildlife Service participated with the National Park Service and the U.S. Geological Survey in the development of a proposal submitted by the Department to Congress in August 1982 for the designation of undeveloped coastal barriers along the Atlantic and Gulf coasts. This action, taken in response to the Omnibus Budget Reconciliation Act of 1981, represented a significant new level of information regarding coastal barriers and, I believe, served as the basis for final deliberations of this Subcommittee and Congress on the Coastal Barrier Resources Act.

Another major area of accomplishment has been the encouragement of compatible uses of refuges as authorized by the National Wildlife Refuge System Administration Act. Increased revenues generated from economic activities will be returned to counties as revenue sharing payments.

Ecological map inventories of coastal fish and wildlife resources inhabiting the Gulf of Mexico and the Pacific Coast and detailed wetland inventories for 240,000 square miles of the lower 48 States and 10,000 square miles of Alaska have been completed by the Service. Added to the earlier completed Atlantic Coast inventory, these will be particularly useful to Federal and State agencies and the private sector in planning major developments in these coastal areas.

Excellent progress was made in developing plans for the recovery of threatened and endangered species in 1982 -- 76 draft recovery plans were prepared and 38 final plans were completed. During 1981 and 1982, the Service reviewed or approved 160 recovery plans for endangered species -- 160% more than it had handled during the previous four years. The Service also completed the United States' 10-year review of wildlife and plant species in Appendices I and II of the Convention on International Trade on Endangered Species of Wild Fauna and Flora (CITES) to insure that trade regulations for all listed species are appropriate and to evaluate the effectiveness of the treaty. In addition, 65 violators have been criminally prosecuted and fined a total of $156,000 as a result of the 1981 "sting" operation to halt illegal trafficking in wildlife. Another 37 civil penalty cases arising from the sting operation have been settled resulting in the assessment of another $56,000 in civil penalties.

Another significant advance for endangered species occurred recently when the DuPont Company made a major grant to the Service's bald eagle breeding program at the Patuxent Wildlife Research Center. The grant will enable the Service to more than double the number of eaglets released to the wild each year.

During 1982 we also realigned management responsibilities in the agency by closing 18 area offices and transferring the funds and staff located there to field stations and regional offices. This change will help to eliminate an administrative layer in the Service's management structure that has long been criticized by Congress and the conservation community. In 1982 the Service also began to reorganize its Law Enforcement program to streamline management. Twelve District offices that provided field management of the program were reduced to 7 and were relocated in Regional Offices.

Let me turn now to the budget for FY 1984. Under our proposal discretionary spending for the agency under the Resource Management appropriation would be increased $3.3 million from the FY 1983 appropriation of $242 million. There would be a reduction from our total FY 1983 construction appropriation ($2.3 million) and from the land acquisition appropriation ($27.2 million). We estimate permanent trust funds will increase by $35.7 million, which would bring the total Service budget to $476 million, an increase of $8.6 million over the FY 1983 appropriation.

I will submit to the Subcommittee additional information that explains in detail the rationale and impacts of increases and decreases in the FY 1984 budget, as compared to FY 1983. At this time, I would like to highlight the most significant changes.

Wildlife Resources

In conjunction with this Administration's focus on good stewardship of our natural resources, in FY 1984 we are proposing a major new initiative for the rehabilitation of the National Wildlife Refuge System. The Service has a $1.9 billion capital investment in refuge facilities and equipment, with an annual maintenance requirement of $56 million. The rising costs of materials, supplies, labor and energy have led to a prolonged deferment of needed maintenance at most refuges. The result has been an accelerated deterioration of facilities and equipment, especially water management facilities that represent nearly half of the capital investment. Subsequent adverse impacts on habitat and wildlife benefits have been considerable.

To address this situation we are proposing to increase by $14.6 million the FY 1983 appropriation of $73.8 million for refuge operation and maintenance funds to undertake a new initiative, known as Accelerated Refuge Maintenance and

Management (ARMM). These funds, added to an increase of $2 million under the refuge portion of the Construction appropriation, will permit us to rehabilitate and restore facilities and improve resource protection and management on over 215 individual refuges and 5 wetland management districts in 46 states. Improvement of roads, water control structures and wildlife habitat are just a few of the projects to be under taken.

Under Secretary Watt, the Department is vigorously pursuing a "good neighbor policy" with the States. The objective of this policy is to promote cooperation and consultation between the Federal and State governments in the management of nationally important resources and to make the impact of Federal management less burdensome to the States. A corollary objective is to realign program responsibilities so that the Federal government and the States are managing resources for which they are responsible. One of the areas in which the Federal presence should be lessened is in certain aspects of animal damage control field operations. Consequently, we are proposing a decreased of $1.4 million in FY 1984 for activities related to control of damage by resident wildlife species. This reduction is consistent with our belief that States should assume greater responsiblity for field operations related to those species. However, the ADC operations budget still totals $10.4 million. The Service will continue to provide technical assistance and will maintain its current level of activity on Federal lands and for those species for which a Federal responsibility exists. The Service will also continue to provide technical assistance to government agencies and individuals for the control of a variety of wildlife damages. The closure of 2 research field stations will result in the reduction of $297,000 in ADC research. The station at Hilo, Hawaii will be closed by the end of FY 1983 as a result of

Congressional directive. In addition, we are proposing the closure of the stations at Olympia, Washington and Bend, Oregon that deal principally with small mammal damage to forests. This work is not as high priority as other ADC research efforts that we are proposing to continue, such as the development of methods to alleviate blackbird damage to ripening rice.

The second decrease in the Wildlife Resources program involves a reduction of maintenance at three research laboratories ($760,000). Funds provided in FY 1983 for maintenance of the Northern Prairie Wildlife Research Center and the Patuxent Wildlife Research Center ($560,000) were used to offset increased costs for facility maintenance. In FY 1984, however, these funds are needed for operation of the newly-renovated facility at the National Wildlife Health Laboratory in Madison, Wisconsin. Furthermore, additional funds provided in FY 1983 for maintenance at the Denver Wildlife Research Center ($200,000) reduced the backlog of unmet needs to an acceptable level at that facility, and there are no additional, specific, high priority needs that are anticipated in FY 1984 which cannot be met by the current level of maintenance funding.

Endangered Species

When dealing with the protection of threatened and endangered species, it is not sufficient to merely compile list upon list of species that need help, without taking positive steps to enhance chances for their recovery. Congress has wisely recognized this fact and in recent amendments to the Endangered Species Act mandated development of recovery plans for listed species. The Fish and Wildlife Service strongly supports this Congressional mandate and in 1981 and 1982 began an accelerated effort to develop and implement these plans. The Service is proposing to continue this effort in the FY 1984 budget and has requested an increase of $930,000 for development and implementation of recovery plans for some 40 species, including the black-footed ferret, the grizzly bear, manatee and bald eagle. Our emphasis on recovery, however, is coupled with continued attention to listing activities. The 1982 amendments to the Endangered Species Act that streamline listing requirements will help to expedite this process. Our plans are to act on some 60 species in FY 1984. This compares with 34 species in FY 1982 and 50 species in FY 1983.

A decrease of $987,000 in endangered species law enforcement activities is proposed, but this reflects our intent to emphasize large, more important cases, as opposed to involvement in smaller cases. Our new policy is to shift emphasis to major investigations involving organized crime, and away from smaller cases involving the uninformed public. We think that this approach will be more cost-effective, but at the same time will continue to provide the type of deterrent needed to reduce illegal trade in endangered species products.

Finally, the decrease of $2 million for the state grant-in-aid program reflects our belief that states should assume greater responsibility for the conservation of their own resident species. However, we will continue our policy of close cooperation and consultation with states regarding activities such as listing, designation of critical habitat, and development and implementation of recovery plans.

Fishery Resources

The major new initiative in the Service's fishery program for FY 1984 is the creation of a Lower Snake River Compensation Fund to insure that mitigation of declining Pacific Northwest fisheries -- resulting from the development and operation of hydroelectric projects -- is accomplished as directed by Congress in the Water Resources Development Act of 1976. Specifically, the Administration will propose legislation to establish a special Lower Snake River Compensation Fund and to direct the Administrator of the Bonneville Power Administration to place into the fund sums necessary to provide for the operation and maintenance of Lower Snake mitigation facilities by the states and the Fish and Wildlife Service. In addition, the $1,029,000 currently in the Fish and Wildlife Service base for the Lower Snake effort would be transferred to the fund. The legislation is intended to reinforce existing statutory guidance directing BPA to adjust its power rates to reflect all categories of project costs, including mitigation. A legislative proposal to accomplish this will be submitted to the Congress shortly.

The other significant change in the proposed FY 1984 fishery program is a decrease of approximately $4.2 million reflecting the closure or transfer of 29 fish hatcheries. Reductions are in several categories. Congress directed the closure or transfer of 5 of these facilities in the FY 1983 appropration bill, ($630,000) while 4 hatcheries are proposed for transfer to the Bureau of Indian Affairs to accomodate essential fish production requirements on Indian lands ($913,000). We are also proposing the closure or transfer to states of 20 fish hatcheries that produce fish that are low priority in terms of Federal management responsibilities ($2,652,000).

As we have testified before Congress previously, it is our belief that the states should assume responsibility for operating those hatcheries which are not directly supportive of Federal statutory or treaty responsibility. Increased funds ($195,000), however, are provided for the operation of new hatchery facilities for high priority fish species. These include facilities constructed at Litchfield, New Hampshire and Sunderland, Massachusetts for the restoration of Atlantic salmon and the facility at Bear Bluff, South Carolina to initiate high priority production of Atlantic sturgeon and striped bass. Funds are also provided ($510,000) to assure proper consideration of fishery resources in comprehensive planning on Alaska refuges, as required by the recent Alaska lands legislation.

Habitat Acquisition

While we will continue to acquire lands with funds from the Land and Water Conservation Fund, as provided for in the FY 1983 Interior Appropriations bill, we are not requesting any appropriations for LWCF land acquisition in FY 1984. However, in conjunction with Secretary Watt's concern for wetlands conservation we are proposing that the price of the duck stamp be raised from $7.50 to $15.00, which would permit us to preserve an additional 16,730 acres of essential migratory waterfowl habitat for a total acquisition program under the Migratory Bird Conservation Fund of 47,030 acres in FY 1984. Draft legislation increasing the price of the Duck Stamp will soon be submitted to Congress for review and action. In addition, we will request extension of the Wetlands Loan Act, which expires this year.

Habitat Resources

Overall, the habitat resource program reflects a decline of approximately $6.3 million from FY 1983. Approximately 65% of this reduction ($4.4 million) is a result of our proposal to eliminate funds for Cooperative Fish and Wildlife Research Units. The Cooperative Research Unit Program was established in cooperation with States and universities to provide graduate training, research, and technical assistance at a time when there were few graduates in the fish and wildlife field. Enrollment in natural resource disciplines has increased significantly now and graduate training can be provided by the universities. Furthermore, many States have increased their capability in fish and wildlife research. Therefore, termination of our participation in the Unit Program is consistent with the Administration's thrust for increased reliance on the States to assume responsibilities within their capabilities.

Other decreases in the habitat resources programs include reductions in field operations ($833,000) for investigations of contaminant monitoring and coal mining operations, and reductions in the minerals program. However, the Service recognizes the need to continue the rapid development of the Nation's energy and natural resources in a manner compatible with fish and wildlife conservation and will continue to provide essential technical assistance concerning conservation of fish and wildlife resources on a reimbursable basis to other Federal agencies that engage in these types of development activities. We are also recommending a decrease of approximately $1.4 million for research and development activities related to habitat resources. This involves research related to the impacts of minerals development and agricultural chemicals on fish and wildlife and research on biological indicators of the effects of contaminants on fish and wildlife. The Service will place increased reliance on universities, private industry and reimbursements to provide needed information. For instance, the assessment of impacts from agricultural chemical uses should be placed on the chemical industry since it is required by existing legislation, such as the Federal Environmental Pesticide Control Act of 1972, to perform extensive testing prior to marketing chemicals.

Construction and Anadromous Fish Grants

The fiscal 1984 request of $14.4 million under the Service's Construction appropriation will continue the Secretary's initiatives to restore and rehabilitate facilities of the National Wildlife Refuge System ($7.6 million) and provide for major repairs at high priority National Fish Hatcheries ($1.8 million). The budget proposal also provides for increased emphasis on Dam Safety, directing an additional $900,000 for technical engineering investigations of eight dams and remedial repairs at seven other dams requiring immediate corrective action. This will bring the Dam Safety portion of FY 1984 Construction request to $1.5 million. The Service is also recommending an increase of $1.9 million to establish a new program, known as the Capital Development and Maintenance Management program, to design and implement a computerized system for identifying and managing capital development and maintenance needs and to initiate advance planning for future construction projects.

Under this appropriation we are also recommending elimination of funds for Anadromous Fish Conservation grants to the states and non-Federal entities. Congress added $3.5 million for this purpose in FY 1983 to assist states in efforts to enhance and restore anadromous fish populations through interstate cooperation. Since the purpose of these grants has been accomplished, we believe that further use of Federal funds is inappropriate.

Permanent and Trust Funds

Finally, Mr. Chairman, the total for Permanent and Trust Funds, other than duck stamps and the Lower Snake River Compensation fund that I already mentioned, will increase by slightly over $24.5 million. Of this increase slightly over $8 million is for Federal Aid to Fish Restoration while over $16.5 million is for Federal Aid to Wildlife Restoration.

Mr. Chairman, while reductions have occurred in some program areas, changes that have been made in the Service's organizational structure have improved our efficiency in the use of available funding and personnel. These changes have been consistent with the Administration's thrust to reduce Federal spending, provide responsible stewardship for fish and wildlife resources on Federal lands, and place a greater reliance on States to assume responsibilities for resources within their jurisdiction.

Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions.

ACTIVITY/SUBACTIVITY CHANGE CROSSWALK - FY 1984 Request
(in thousands of dollars)

Format of Fiscal 1983 Congressional Budget Submission

Appropriation/Activity/Subactivity	1984 Request
Resource Management	245,311
Habitat Preservation	32,037
Environmental Contaminant Evaluation	9,222
Land/Water Resource Dev Planning	12,153
Biological Services	10,662
Cooperative Units	...
Wildlife Resources	126,140
Migratory Birds	82,219
Mammals and Nonmigratory Birds	19,045
Animal Damage Control	14,026
Interpretation and Recreation	10,850
Fishery Resources	34,025
Fish Hatcheries	20,302
Fisheries Assistance	3,825
Fishery Research	9,671
Fishery Law Enforcement	227
Endangered Species	17,361
Listing	2,047
Protection	4,913
Consultation/Exemption	2,513
Maintenance and Recovery	7,888
General Administration	35,748
Executive Direction	6,942
Administration & Related Support Services	28,806

Format of Fiscal 1984 Congressional Budget Submission

Appropriation/Activity/Subactivity	1984 Request
Resource Management	245,311
Habitat Resources	32,037
Field Operations	16,473
National Wetlands Inventory	3,691
Research and Development	11,873
Cooperative Units	...
Wildlife Resources	126,140
Refuge Operations and Maintenance	88,798
Law Enforcement and Protection	9,419
Population Management	17,009
Research and Development	10,914
Fishery Resources	34,025
Hatchery Operations and Maintenance	20,302
Refuge Operations and Maintenance	2,162
Law Enforcement and Protection	227
Population Management	1,663
Research and Development	9,671
Endangered Species	17,361
Listing	2,047
Law Enforcement and Protection	4,913
Consultation	2,513
Recovery	4,214
Research and Development	3,674
General Administration	35,748
Executive Direction	6,942
Administrative Services	10,996
Related Support Services	17,810

2/8/83

U.S. Fish and Wildlife Service

Status of Emergency Striped Bass Study

Approximately $2.9 million have been appropriated to the Departments of Commerce and Interior from 1980-1982 to carry out the study. Coordination and management has been through a Planning and Coordination Committee that includes Federal, State and private representation. The Committee manages the study on the basis of what can best be done with the total funds available without regard to the specific fund source. This arrangement has facilitated the transfer of funds between Commerce and Interior as necessary to accomplish the highest priority work. Origin and use of funding ($000) has been as follows:

FY	Fund Source	Total	Agency Using	
			FWS	NMFS
80	Interior (FWS)	1000	500	500
81	Interior (FWS	800	493	307
	Commerce (NMFS)	750	364	386
82	Commerce (NMFS)	325	58	317
83	Interior (FWS)	500	500	0
	Commerce (NMFS)	250*	0	250
	Total	3675	1915	1760

*The NMFS is operating under a continuing resolution for all of FY 1983. Although NMFS recieved funding for the Striped Bass Study in FY 1982, under NMFS interpretation of the continuing resolution this is viewed as a one-time appropriation not included under the 1983 continuing resolution. The NMFS has tentatively agreed, within budgetary lattitude, to transfer $250,000 to the Study in FY 1983 from Anadromous Fish State Grant funding.

The overall Emergency Striped Bass Study addresses three major topics, with utilization of funding through FY 1982 approximately as follows: 1) determination and monitoring of striped bass population levels (47% of funds); 2) economic impacts of the striped bass fishery (9% of funds); and 3) research on biological causes of striped bass population declines (44% of funds).

Through FY 1982, approximately $1.38 million has been allocated to population monitoring studies undertaken in cooperation with the states to determine the sex and age composition of commercial landings and the distribution of spawning and early life stages of the bass. Annual surveys of year class strength have been initiated so that all major spawning rivers that contribute to the coastal migratory stock of striped bass are being monitored. Monitoring of year class strengths and the sex and age composition of the landings provides a basis for determining population trends upon which future management actions would be based. Omission of a single year of data would significantly compromise the value of data from previous years. Monitoring activities will be continued into FY 1983 with carry-over funds and newly appropriated funds.

Approximately $.26 million was allocated to a two year evaluation of the economic importance of the species. The data collection phase of this project including extensive data on both commercial and sport fishing activity, has been completed. This information is being used to develop a model to compute the economic impact of the striped bass fishery on the East coast on an individual county basis. This model can be used to quantify economic impacts of changes in bass populations and alternative management stratagies.

Research to determine why the bass population has declined is based on nine possible hypotheses identified by scentists and administrators from state resource agencies, universities and Federal agencies. Information needed to test these hypothises was then aggregated into categories of needed research as follows:

(1) Influence of contaminants on striped bass population dynamics.

(2) Influence of exploitation on the population dynamics of striped bass.

(3) Influence of poor growth or starvation on striped bass survival rates.

(4) The nature and extent of competition of other species with early life stages of striped bass.

(5) Influence of predators on early life stage survival of striped bass.

(6) Correlation of physical and biological factors with striped bass survival and year class strength.

Through FY 1982 approximately $1.29 million has been allocated to research, with about 73% utilized in categories 1 and 3 and the remainder distributed among the other categories. Existing data is being evaluated in connection with categories 2 and 6. Limited studies funded in categories 4 and 5 involve the collection of data on the relative abundance and food habits of potential predator and competitor species.

Data collected to date on contaminant studies indicate:

- No single contaminant has been identified that can be considered responsible for the decline in east coast striped bass stocks.
- Combinations of contaminants at concentrations similar to those found in spawning habitats of the Chesapeake Bay area can significantly decrease survival of striped bass larvae in freshwater.
- Striped bass larvae will suffer less mortality from combinations of contaminants in saline water, but secondary or sublethal effects on swimming performance, feeding behavior, and prey-predator relationships may be induced by contaminants.
- Water quality environmental conditions, and life history of striped bass must be considered when assessing the potential hazards of contaminants to striped bass.
- Striped bass larvae which remain in freshwater habitats containing contaminants similar to those under study may suffer significant mortality, while those populations which move earlier into saline waters will be less susceptiable to contaminants.

Evidence has been gathered which indicates that starvation of larval bass is a major source of mortality associated with poor year classes. Other data indicate that recent changes in sewage treatment practices have caused a reduction in food for larval bass and thus increased starvation mortality. Studies have also shown that the effects of increased mortality due to starvation or contaminants are exaccerbated by high fishing mortality.

Precise causes of the striped bass decline and appropriate corrective actions cannot be clearly defined based on the work completed to date. Specific areas of additional research which will be pursued with additional funding appropriated in FY 1983 are

- contaminant/salinity interactions and toxicity of specific classes of contaminants·
- effects of contaminants on swimming performance, feeding behavior, disease, and prey/predator interactions·
- factors affecting abundance of larval food organisms;
- influence of predators and competitors on striped bass survival;
- the effect of fishing mortality on year class strength.

Until these knowledge gaps are closed, it will be difficult or impossible to effectively manage the striped bass resource in a comprehensive manner that will restore populations to former levels. In all likelyhood, populations will remain at depressed levels, with associated economic hardships, unless natural actions occur that negate the factors (undefined at this time) causing the decline.

It is worth noting that the results of the Emergency Striped Bass Study may shed considerable light on the reason(s) why populations of other fish species of the Chesapeake Bay have also declined.

United States Department of the Interior
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

MAR 11 1983

Honorable Robert T. Stafford
Chairman, Committee on Environment
and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Thank you for your letter of February 7 signed jointly by you and the Honorable Jennings Randolph concerning the requirement of your Committee to make a report to the Committee of the Budget in order to make recommendations of fiscal year 1984 spending levels for the programs within your Committee's jurisdiction.

We are pleased to enclose a copy of approved testimony on the 1984 fiscal year budget request for the John F. Kennedy Center for the Performing Arts. Also enclosed is a copy of the Assistant Secretary J. Robinson West's letter of February 23 to the Honorable George Bush, President of the Senate, enclosing a draft bill to authorize appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

We hope the enclosed material satisfies the need of your committee in making your recommendation to the Budget Committee.

Sincerely

P. Craig Potter

for G. Ray Arnett
Assistant Secretary for Fish
and Wildlife and Parks

Enclosures

STATEMENT OF WITNESS FOR THE NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS TO DISCUSS THE FISCAL 1984 BUDGET REQUEST FOR THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I AM PLEASED TO APPEAR BEFORE THIS COMMITTEE TO DISCUSS THE FISCAL 1984 BUDGET REQUEST FOR THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS.

SECTION 10 OF THE PUBLIC BUILDINGS AMENDMENTS OF 1972 DIRECTED THE SECRETARY OF THE INTERIOR, ACTING THROUGH THE NATIONAL PARK SERVICE, TO PROVIDE MAINTENANCE, SECURITY, INFORMATION, INTERPRETATION, JANITORIAL, AND ALL OTHER SERVICES NECESSARY TO THE NONPERFORMING ARTS FUNCTION OF THE JOHN F. KENNEDY CENTER. THE SAME PROVISION AUTHORIZED FUNDS TO SUPPORT SUCH SERVICES THROUGH JUNE 1973. CONGRESS HAS PERIODICALLY EXTENDED THE AUTHORITY OF THE 1972 AMENDMENTS, AUTHORIZING $4,247,000 FOR FISCAL YEAR 1983 PURSUANT TO PUBLIC LAW 97-202 OF JUNE 24, 1982, FOR THE NONPERFORMING ARTS FUNCTION OF THE KENNEDY CENTER. THE FULL AMOUNT OF $4,247,000 WAS APPROPRIATED IN THE APPROPRIATIONS ACT FOR THE DEPARTMENT OF THE INTERIOR OF DECEMBER 30, 1982, PUBLIC LAW 97-394.

THE FISCAL 1984 BUDGET REQUEST BY THE NATIONAL PARK SERVICE IN THE AMOUNT OF $4,342,000 HAS BEEN APPROVED FOR THE PRESIDENT'S BUDGET. THIS REPRESENTS AN INCREASE OF $95,000 OVER THE 1983 FISCAL YEAR AUTHORIZATION AND APPROPRIATION DUE TO THE 4% SALARY INCREASE WHICH WAS EFFECTIVE OCTOBER 1, 1982, THE MEDICARE HEALTH INSURANCE TAX EFFECTIVE JANUARY 1, 1983, AND OTHER CONTRACTUAL SERVICES.

WITHOUT AN EXTENSION OF THE PRESENT AUTHORIZATION, THE NATIONAL PARK SERVICE CANNOT CONTINUE BEYOND SEPTEMBER 30, 1983, TO EXERCISE ITS RESPONSIBILITIES, AS REQUIRED BY LAW. THEREFORE, MR. CHAIRMAN, THE ADMINISTRATION STRONGLY RECOMMENDS THE AUTHORIZATION OF $4,342,000 REQUESTED IN THE BUDGET.

MR. CHAIRMAN, I WILL TRY TO ANSWER ANY QUESTIONS YOU AND ANY MEMBERS MAY HAVE.

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

FEB 23 1983

Honorable George Bush
President of the Senate
Washington, D.C. 20510

Dear Mr. President:

There is enclosed a draft bill, "Authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes."

We recommend that the draft bill be introduced, referred to the appropriate committee for consideration, and enacted.

Under section 6(e) of the John F. Kennedy Center Act (20 U.S.C. 76l), the Secretary of the Interior is required to provide all services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, including information, interpretation, maintenance, janitorial, and security services. However, the Congress has only authorized and appropriated funds to the National Park Service through September 30, 1983, for the nonperforming arts functions of the Kennedy Center.

The enclosed draft bill would amend the authorization in section 6(e) of the John F. Kennedy Center Act to authorize an appropriation of $4,342,000 for the fiscal year ending September 30, 1984. This would enable the National Park Service to continue to carry out its responsibilities for the nonperforming arts functions for the Kennedy Center through September 30, 1984, in accordance with the President's fiscal year 1984 budget submission to the Congress.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely,

J. Robinson West
Assistant SECRETARY

Enclosure

A BILL

Authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6(e) of the John F. Kennedy Center Act (20 U.S.C. 76l) is amended by striking out the period in the last sentence and adding in lieu thereof ", and not to exceed $4,342,000 for the fiscal year ending September 30, 1984.".

United States Department of the Interior

NATIONAL PARK SERVICE
NATIONAL CAPITAL REGION
1100 OHIO DRIVE, S. W.
WASHINGTON, D.C. 20242

FEB 24 1983

Honorable Robert T. Stafford
Chairman
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20005

Dear Mr. Stafford:

In response to your letter of February 7, we are pleased to provide you with information on the Fiscal Year 1984 budget request for the John F. Kennedy Center for the Performing Arts.

The following information addresses the five areas as requested in your letter:

1. The 1984 budget request for the Kennedy Center amounts to $4,342,000, which represents an increase of $95,000 over the Fiscal Year 1983 appropriation due primarily to a 4 percent salary increase and the Medicare health insurance tax effective January 1, 1983, and slight increases in contractual services, such as elevator and air conditioning maintenance. These increases in contractual services have been partially offset by decreases in housekeeping costs, electricity, and supplies and materials.

2. In the area of decrease in housekeeping, we were able to negotiate a better contract for Fiscal Year 1983 and look to reduced costs. We will have on line our Energy Management System (new hardware purchased over the past 2 years to better utilize energy) and will realize a reduction in electricity costs. Costs for supplies and materials will be reduced as a result of completion of the purchase and installation of word processing equipment.

3. No personnel increases or decreases have been proposed in Fiscal Year 1984. We feel that the present staffing level is essential to carry out program responsibilities.

4. The Fiscal Year 1984 budget request includes the amount requested for the supplemental pay increase in Fiscal Year 1983.

5. Section 10 of the Public Buildings Amendment of 1972 directed the Secretary of Interior, acting through the National Park Service, to provide maintenance, security, information, interpretation, janitorial, and all other services necessary

to the nonperforming arts function of the John F. Kennedy Center. The same provision authorized funds to support such services through June 1973. Congress has periodically extended the authority of the 1972 amendments, and without an extension of the present authorization, the National Park Service cannot continue to exercise its responsibilities as required by law, beyond September 30, 1983.

Thank you for the opportunity to provide this information.

Sincerely,

Manus J. Fish J

Regional Director, National Capital Region

Enclosures

UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Economic Development
Washington, D.C. 20230

FEB 16 3

Honorable Robert T. Stafford
Chairman
Committee on Environment
  and Public Works
United States Senate
Washington, D. C. 20510

Dear Senator Stafford:

Thank you for your letter cosigned by Senator Randolph, requesting information on the budget proposals of the Economic Development Administration for fiscal year 1984. The following paragraphs address the points specified in your letter.

1. Budget levels for fiscal year 1984 compared to obligations for fiscal year 1982 and appropriations for fiscal year 1983.

   Total obligations for EDA's direct program activities were $197.2 million for fiscal year 1982. The second continuing resolution for fiscal year 1983 provided $198.5 million; at present, $181.9 million of this is deferred pending action on the proposed transfer of these funds; the revised proposal is for a funding level of $16.6 million. No program funds are requested for fiscal year 1984.

   In the Salaries and Expenses appropriation, direct obligations for fiscal year 1982 were $28.3 million. The second continuing resolution for fiscal year 1983 provided $27,450,000; none of this has been proposed for deferral. The proposed funding level for fiscal year 1984 is $18.1 million. The staff years supported by these funding levels are 476 for 1982, 430 for 1983 and 246 for 1984.

2. Explanation of decreases for fiscal year 1984.

   The budget proposal for EDA recognizes that the way to create jobs is to build on the underlying strengths of the American economy and that the key element in economic recovery is the restoration of sustained, non-inflationary growth. The foundation for this growth has been laid by achieving a dramatically reduced rate of inflation and lower interest rates.

   The Administration forecasts moderate but sustained growth over the next five years. This growth is expected to raise total employment by more than 15 million by the end of 1988. Total employment is expected to rise 1.6 million this year and an additional 3 million next year. The programs of the Economic Development Administration result in an inappropriate Federal involvement in isolated local development problems which are addressed more effectively at the State and local levels. Therefore, the budget proposes the phasing down of EDA's programs in fiscal year 1983 and the termination of activities in fiscal year 1984.

3. Explanation of staffing decreases for fiscal year 1984 and the impact on Agency mission.

   The staffing reductions proposed in the budget are commensurate with the proposed reductions to EDA's program funding levels. The Agency's ability to monitor and close out approved projects and to provide effective management of the loan and loan guarantee portfolio will not be impaired.

4. Proposed deferral of fiscal year 1983 program funds and potential supplemental budget requests.

   Of the $198.5 million for EDA program activities contained in the second continuing resolution, $181.9 million is deferred at present. Of this amount, $158.5 is proposed for transfer to the Business Loan and Investment Fund of the Small Business Administration. This proposal will increase SBA's ability to cover defaults on guarantees which are expected to be considerably in excess of the current availability in the Fund. The remaining $23.4 million would be returned to EDA's Economic Development Revolving Fund. This is necessary to guard against defaults on EDA loan guarantees.

   The President's Budget does not address any supplemental funding requirements for EDA. The Administration is assessing the impacts of recent pay raises on the ability of agencies to operate for the remainder of the year.

5. Legislative initiatives necessary to implement the Agency budget proposal for fiscal year 1984.

   No additional legislation is required to enable the Agency to fulfill its mission as described in the President's Budget.

Sincerely,

CARLOS C. CAMPBELL
Assistant Secretary
for Economic Development

APPALACHIAN REGIONAL COMMISSION

OFFICE OF THE
FEDERAL COCHAIRMAN
1666 Connecticut Avenue, N.W.
Washington, D.C. 20235
202/673-7856

[illegible]

Honorable Robert T. Stafford, Chairman
Honorable Jennings Randolph, Ranking Minority Member
Committee on Environment and Public Works
U.S. Senate
Washington, D.C. 20510

Gentlemen:

I am pleased to respond to your request for our detailed views on the Administration's budget request for 1984. To facilitate your consideration, I am making my response to the numbered items contained in your letter of February 7, 1983.

1. The Administration's budget request for 1984 contains no requested budget authority for the ARC program or the administrative expenses of the Commission, since the Administration is proposing to discontinue ARC and programs financed by ARC at the close of FY 1983. However, the President's budget does include $80 million for the Appalachian highway system, to be funded out of the Highway Trust Fund and under the Secretary of Transportation. Legislation to accomplish this is proposed for later transmittal by the Secretary of Transportation. The $80 million is the initial year of a proposed $220 million program over the three-year period 1984-1986.

   Comparable figures for 1982 and 1983 (thousands of dollars) are:

	1982 Program Oblig., Net	1983 Approp.	1984 Budget
A. Appalachian Regional Development Program:			
(1) Highways	107,563	115,133*	0
(2) Area Development	52,391	45,000	0
(3) LDD and Tech. Assist.	5,209	5,000	0
Total program	165,163	165,133*	0
B. Appalachian Highways (DOT)	---	---	80,000
C. Salaries and Expenses	2,878	2,900	0
Total	168,041	168,033*	80,000

*Administration proposes rescission of $15,133 in 1983.

2. The Administration has determined that in light of the present fiscal situation it would terminate funding for the Commission and its program after 1983, except for $220 million over the 1984-1986 period for the highway program under DOT. These funds would be utilized to repay States for pre-financed segments and to complete certain segments started under a State's "staged construction" program. To ensure orderly progress in closing out the ARC non-highway programs and projects previously funded, $10 million is proposed to be deferred for use in the 1984-1986 period by the Federal agencies administering ARC grants. The Department of Commerce would be responsible for overall supervision of the close-out.

3. Under the Administration's budget, no funds would be provided for the Commission or Federal staff in FY 1984. As noted above, funds would be available for staff in other Federal agencies for the orderly close-out of ARC projects and activities.

4. The Administration is proposing--(a) rescission of $15,132,646 of 1983 appropriations (highway funds) and (b) deferral of $10 million of 1983 non-highway funds for the following reasons:

   (a) Rescission of $15,132,646.

   All 1983 ARC programs are being funded under the Further Continuing Appropriations Act of 1983 (P.L. 97-377). This law provided funds for ARC and other agencies usually funded under the Energy and Water Development Appropriation Act at "the current rate of operations". For the Appalachian program this was determined to be $165,132,646, as compared to 1982 appropriations of $150 million. The Administration is seeking rescission of the amount provided over the 1982 appropriation Act. The rescission would modify the highway program by that amount, leaving $100 million of new funds in 1983, the same amount as appropriated for the highway program in 1982.

   (b) Deferral of $10 million.

   In FY 1982 an amount of $15 million was deferred in order to provide funds over a three-year time period for other Federal agencies to properly close out ARC projects and activities.

   The Administration has determined that $10 million will be adequate for this purpose in the 1984-1986 period and is proposing deferral of that amount. The revised amount of deferred funds has the effect of releasing $5 million in FY 1983 for use in the non-highway program in addition to the $50 million provided in the 1983 appropriation act.

5. Legislation will be required to transfer financing of the Appalachian highway program close-out to the Highway Trust Fund instead of general fund financing now authorized in the Appalachian Act. Such legislation will be transmitted at a later date by the Secretary of Transportation.

I trust this information is responsive to your questions. We will be happy to provide additional information or appear in person as you desire. Attached are answers to the questions from Senator Randolph included in your letter.

Sincerely,

Winifred A. Pizzano

WINIFRED A. PIZZANO
Federal Cochairman

Response to Senator Randolph's Questions

1. **Could you describe in detail the major differences between the Administration's budget and the proposal submitted in 1981 for a phase-out of the Commission?**

   The Administration's budget would terminate the Commission and its non-highway programs at the end of FY 1983. It would terminate the Appalachian highway program except for $220 million of State pre-financed or staged construction projects which would be financed during the 1984-1986 period by financing from the Highway Trust Fund in the amount of $80 million each year in 1984 and 1985 and $60 million in 1986.

   The proposal submitted in 1981 by the Appalachian Governors for a gradual phase-out of the Commission would:

   (a) Provide for completion of the ARC highway program over eight years, limiting federal assistance to about one-third the cost of completion of the total planned system.

   (b) Continue the Commission's area development program on a limited basis for 5 years through 1987. It would provide:

      (1) $60 million annually for a five-year jobs and private investment program;

      (2) $15 million annually for a five-year program to help the most distressed and underdeveloped counties in the Region meet their most critical needs, especially safe drinking water and waste disposal; and

      (3) $8 million annually for a three-year program to finish-up ARC's health program of extending basic health care to counties not yet reached, recruiting health manpower in shortage areas and by reducing infant mortality in those counties with rates at least 50% above the national average.

2. Could you list the priority highway projects which are to be funded in fiscal 1984 with the highway funds?

The finish-up program proposed by the Appalachian governors calls for $215 million in highway funds for FY 1984. The priority highway projects which the states indicate would probably be funded includes a total of 102.9 miles, of which 67.2 would be fully constructed and 35.7 miles would be staged construction, as follows:

FY 1984–Priority Projects to be Constructed Under Governors Proposal

State	Corridor	Cost Estimate Section	Construction Miles	Staged-Miles . Construction Included
AL	V(A)	8.0-9.0	7.0	7.0
	V(A)	11.0-12.0	1.9	1.9
	X(A)	1.0-2.0	6.8	
			15.7	8.9
GA	A	12.2-12.4	11.3	
KY	B	10.2-11.0	1.2	1.2
	B	27.31-28.0	4.5	
			5.7	
MD	E	54.3-54.5	4.5	4.5
MS	V	11.5-12.11	5.1	
NY	T(B)	15.0-17.0	6.1	3.2
NC	A	12.5-13.1	3.8	1.7
OH	D	6.0-8.0	9.2	3.8
PA	O	19.0-21.3	1.7	1.4
	N	3.0-4.0	4.2	
			5.9	
SC	W	0.01-0.1	2.4	0.6
TN	J	4.1-5.0	1.3	1.3
	J	22.0-23.1	9.0	
	J	39.0-40.0	7.5	
			17.8	
VA	B	15.1-16.1	7.2	7.2
	Q	37.0-37.2	3.7	
			10.9	
WV	G	1.0-4.0	1.9	1.9
	G	27.0-28.0	2.6	
			4.5	
Total Region			102.9	35.7

3. How many counties are now eligible for your assistance under jobs and private investment and distressed counties categories?

A total of 67 counties have been identified by ARC as being the most distressed of the 397 Appalachian counties. Only these 67 counties are eligible for the ARC distressed counties program. All 397 counties are eligible for assistance under our jobs and private investment program.

4. **When is the termination scheduled for the health finish-up program, and what will be the nature of this finish-up work?**

The Governors proposal calls for completion of the health finish-up program in 1985 for the three year program begun this fiscal year.

Under this health finish-up program, basic health care would be extended to the 59 counties still without it and infant mortality would be reduced in the 33 counties with rates at least 150 percent of the national average. (Eight of those 33 counties are among the 59 without basic health care.) In addition, at least 150 doctors would be recruited to shortage areas throughout most of the Region.

The projects under this program fall primarily into three categories:

- Help in starting clinic services, including equipment and construction where necessary;
- Technical assistance grants to states for recruiting personnel to serve in shortage areas; and
- Projects providing pre-natal care and related services to expectant mothers in the high infant mortality counties.

5. **Why is the funding level constant over the four years for salaries and expenses during the finish-up?**

Under the Governors finish-up program, the funding level for Salaries and Expenses is expected to remain constant at the $2,750,000 level for 1984 and the remaining years through 1987 because the workload for the Commission staff will remain relatively constant during the period, the planned programs reduction in the health program being 10% occurring only in the last two-years. The proposed level is predicated on the absorption of cost and price increases in the period through gradual reduction in staff thus eliminating any need for increases based on rising costs.

APPALACHIAN REGIONAL COMMISSION

Budget Overview: Issues

1. Highway Program:
   - A. Administration — proposes $80 million under FHWA Highway Trust Fund; program ends in 1986.
   - B. Governors — Propose $215 million under ARC Program finished in 1991.
   - C. Rescissions proposed for 1983 — $15,133 thousand.

2. Non-Highway Program:
   - A. Administration — Proposes end of program in 1983. Use $10 million deferred funds in 1984–1986 to close out administration details under Commerce.
   - B. Governors -- propose $83 million in 1984 under ARC Finish-up program to run through 1987.
   - C. Deferrals proposed — $10 million in 1983 compared with $15 million in 1982.

3. Salaries & Expenses:
   - A. Administration -- Proposes to eliminate for 1984.
   - B. Governors — Propose to keep through 1987 at 1984 appropriation of $2.75 million down from $2.9 million in 1983.

4. Spend-out Rates:

	Highway (percent)	Non-Highway (percent)
Year of obligation	5	7
+1	25	30
+2	30	30
+3	17	17
+4	13	13
+5	10	3

2/1/83

APPALACHIAN REGIONAL DEVELOPMENT PROGRAM

(Budget Data)
(millions of dollars)

	FY 1983	FY 1984 President's Budget	FY 1984 Governor's Request
I. Budget Authorization			
A. Highway	115.1 1/	80.0 2/	215.0
B. Finish-up	(55.0)	0	(83.0)
Jobs & Private Inv.	34.3	0	54.0
Distressed Counties	9.6	0	15.0
Health Finish-up	5.1	0	8.0
LDDs & Tech. Asst.	5.0	0	5.0
Administrative Costs	1.0	0	1.0
TOTALS	170.1	80	298.0
Appropriation	165.1	---	---
Deferred funds released	5.0	---	---

NOTES: 1/ Administration proposes $15.1 million rescission in Highway program to return highway program to FY 1982 appropriation level.

2/ Administration proposes $80 million under Federal Highway Administration for Appalachian Highway program.

2/1/83

APPALACHIAN REGIONAL DEVELOPMENT PROGRAM
COMPARISON OF GOVERNORS' & PRESIDENT'S PROGRAM--BUDGET AUTHORITY
(dollars in millions)

Budget Authority	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988
1. Highways:					
President's Program	80.0	80.0	60.0	---	---
Governors' Program	215.0	234.0	250.0	270.0	289.0
Difference	135.0	154.0	190.0	270.0	289.0
2. Non-Highway					
President's Program	0	0	0	0	0
Governors' Program	83.0	83.0	75.0	75.0	0
NOTE: In 1986 the three-year Health Finish-up program would be discontinued					
3. Salaries & Expenses					
President's Program	0	0	0	0	0
Governors' Program	2.75	2.75	2.75	2.75	0
4. Total					
President's Program	80.0	80.0	60.0	---	---
Governors' Program	300.75	319.75	327.75	347.75	289.0
Difference	$ 220.75	239.75	267.75	347.75	289.0

2/2/83

APPALACHIAN REGIONAL DEVELOPMENT PROGRAMS

IMPACT OF GOVERNORS' FINISH-UP PROGRAM ON BUDGET AUTHORITY AND OUTLAY

SUMMARY TABLE

(millions of dollars)

I. 1984 IMPACT	President Program	Governors Changes	With Govs Changes
Budget Authority	80.0	+220.75	300.75
Outlays	209.0	+11.65	220.65

II. IMPACT OF GOVERNORS' PROGRAM THROUGH 1988:

	Pres. Program		Governors Changes		w/Gov. Changes	
Fiscal Year	B.A.	Outlay	B.A.	Outlay	B.A.	Outlay
1984	80.0	209.0	+220.75	11.65	300.75	220.65
1985	80.0	184.0	+239.75	73.85	319.75	257.85
1986	60.0	131.8	+267.75	146.35	327.75	278.15
1987	---	92.1	+347.75	201.65	347.75	293.75
1988	---	55.2	+289.0	+254.1	289.0	309.3

III. SPEND-OUT RESULTS OF GOVERNORS'PROGRAM; 1984 Budget Request

	Pres. Program		Governors Changes		w/Gov. Changes	
Fiscal Year	B.A.	Outlay	B.A.	Outlay	B.A.	Outlay
1984	80.0	209.0	220.75	+11.65	300.75	220.65
1985	---	177.0	---	+60.2	---	237.2
1986	---	105.8	---	+66.9	---	172.7
1987	---	53.1	---	+37.9	---	91.0
1988	---	23.2	---	+29.0	---	52.2

2/1/83

FUNDS APPROPRIATED TO THE PRESIDENT

APPALACHIAN REGIONAL DEVELOPMENT PROGRAMS

Federal Funds

General and special funds:

[APPALACHIAN REGIONAL DEVELOPMENT PROGRAMS]*

*See Part III for additional information.

Note.—Although a regular appropriation for this account for 1983 had not been enacted at the time this budget was prepared, a continuing resolution (Public Law 97-377) provides funds through September 30, 1983.

Program and Financing (in thousands of dollars)

Identification code 11-0090-0-1-452		1982 actual	1983 est.	1984 est.
	Program by activities:			
	1. Appalachian Development Highway System	107,593	117,487	....
	2. Area development programs	60,848	6,776	....
	3. Jobs and private investment program	....	34,600	3,375
	4. Distressed counties program	....	9,500	....
	5. Health finish-up program	....	5,900	625
	6. Local development district and technical assistance program	5,811	6,170	....
	7. Stream clearing and other	1,086	7,061	....
10.00	Total obligations	175,337	187,494	4,000
	Financing:			
11.00	Offsetting collections from: Federal funds	−1,090	−1,000	....
17.00	Recovery of prior year obligations	−3,115	....	....
21.40	Unobligated balance available, start of year	−46,494	−31,361	−10,000
24.40	Unobligated balance available, end of year	31,361	10,000	6,000
40.00	**Budget authority (appropriation)**	150,000	165,133	....

In 1984, the Appalachian Regional Development program will be discontinued. Of funds available in 1983, $10 million will be carried over to 1984 and allocated to other Federal agencies in 1984 and subsequent years to close out Appalachian regional development program projects. The Department of Commerce will be responsible for closeout of activities associated with this account.

Appalachian Development Highway System.—The Appalachian Development Highway System program will be funded at $80 million a year from the highway trust fund beginning in 1984. This program will be discontinued in 1986.

APPALACHIAN HIGHWAY SYSTEM

(Proposed for later transmittal, proposed legislation)

Program and Financing (in thousands of dollars)

	Identification code 69-8055-2-7-401	1982 actual	1983 est.	1984 est.
	Program by activities:			
	1. Construction	—	—	78,909
	2. Administration	—	—	1,091
10.00	Total obligations	—	—	80,000
	Financing:			
40.00	Budget authority (appropriation)	—	—	80,000

The Appalachian Development Highway System is designed to improve the accessibility of Appalachia, to reduce highway transportation costs to and within Appalachia, and to provide the highway transportation facilities necessary to accelerate the overall development of Appalachia. The 1984 budget provides $80 million for highway construction and program administration. Legislation to be proposed will transfer the responsibility for this program from the Appalachian Regional Commission to the Secretary of Transportation and fund the program out of the Highway Trust Fund. The program will provide, over a 3-year period starting in 1984, for the completion of ongoing highway construction projects, repayment to States for prefinanced projects, and maintenance of a program in all States as the program is being phased out.

SECTION III—RESCISSION PROPOSALS

Funds Appropriated to the President

APPALACHIAN REGIONAL DEVELOPMENT PROGRAMS

Appalachian Regional Development Programs

(Rescission proposal)

Program and Financing (in thousands of dollars)

Identification code 11-0090-5-1-452	1982 actual	1983 est.	1984 est.
Program by activities:			
1. Appalachian Development Highway System	—	−15,133	—
10.00 Total obligations (object class 41.0)	—	−15,133	—
Financing:			
40.01 Budget authority (appropriation rescission proposal R83–2)	—	−15,133	—

This rescission proposal is for budget authority provided in the law making further continuing appropriations for 1983 (Public Law 97-377) for the Appalachian highway program. If approved, about $100 million would be available in 1983 for this program, the same level as in 1982.

Appendix, page III-28

Public enterprise funds:

Appalachian Housing Fund

Program and Financing (in thousands of dollars)

Identification code 11-4190-0-3-452	1982 actual	1983 est.	1984 est.
Program by activities:			
10.00 Total obligations (object class 41.0)	—	107	—
Financing:			
14.00 Offsetting collections from: Non-Federal sources. Collection of loans	−1	−7	—
17.00 Recovery of prior year obligations	−22	—	—
21.98 Unobligated balance available, start of year: Fund balance	−77	−100	—
24.98 Unobligated balance available, end of year: Fund balance	100	—	—
39.00 Budget authority	—	—	—

Housing program grants are being funded from the Appalachian regional development program appropriations and this housing fund will be closed out.

Appendix, pages I-D1, 2

[APPALACHIAN REGIONAL COMMISSION]

Federal Funds

General and special funds:

[SALARIES AND EXPENSES]

Note.—Although a regular appropriation for this account for 1983 had not been enacted at the time this budget was prepared, a continuing resolution (Public Law 97-377) provides funds through September 30, 1983.

Program and Financing (in thousands of dollars)

Identification code 46-0200-0-1-452	1982 actual	1983 est.	1984 est.
Program by activities:			
1. Federal cochairman and staff	300	450	
2. Administrative expenses	2,578	2,450	
10.00 Total obligations	2,878	2,900	
Financing:			
25.00 Unobligated balance lapsing	22		
40.00 Budget authority (appropriation)	2,900	2,900	

The Appalachian Regional Commission will be discontinued at the end of 1983.

Appendix, page I-V67

Trust Funds

MISCELLANEOUS TRUST FUNDS

Program and Financing (in thousands of dollars)

Identification code 46-3971-0-7-452	1982 actual	1983 est.	1984 est.
Program by activities:			
10.00 Total obligations	4,289	5,194	2,415
Financing:			
21.40 Unobligated balance available, start of year	−724	−2,709	−2,415
24.40 Unobligated balance available, end of year	2,709	2,415	
60.00 Budget authority (appropriation) (permanent, indefinite)	6,274	4,900	

As authorized in the Appalachian Regional Development Act, the 13 Appalachian States share with the Federal Government the administrative expenses of the Appalachian Regional Commission.

Appendix, page I-V68

Federal Emergency Management Agency
Washington, D.C. 20472

MAR 2 1983

Honorable Robert T. Stafford
Chairman
Committee on Environment and
Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This is in response to your letter dated February 7, 1983, cosigned with Senator Jennings Randolph, in which you requested information for inclusion in the Committee's hearing record in conjunction with the review of the Federal Emergency Management Agency's 1984 budget request for the Disaster Relief Fund.

Enclosed herewith are the responses to the five areas in which you posed questions.

If any additional information is required, I will be pleased to provide it.

Sincerely,

Louis O. Giuffrida
Director

Enclosures

Federal Emergency Management Agency
Washington, D.C. 20472

Committee on Environment and Public Works
Questions and Answers

DISASTER RELIEF

1. Please discuss in detail the budget request for fiscal year 1984. How do these figures compare to the amounts actually obligated in fiscal year 1982 and appropriated in fiscal year 1983?

   Because of a projected carryover balance of $431,964,000 the Federal Emergency Management Agency is not requesting any increase to budget authority for fiscal year 1984. Obligations for fiscal year 1982 were $115,114,000 and the amount appropriated for fiscal year 1983 was $130,000,000.

Federal Emergency Management Agency
Washington, D.C. 20472

Committee on Environment and Public Works
Questions and Answers

DISASTER RELIEF

2. Please discuss the rationale for the increases or decreases in the level of funding for fiscal year 1984. In the programs where reductions have been made, what specific areas of the program will be reduced or eliminated, and what will the additional funds provide? If there is no change in funding from last year, have any changes been made in program priorities?

While FEMA is projecting a carryover balance of $431,964,000 and is not requesting additional budget authority for fiscal year 1984, this amount should be sufficient to meet a "normal" year's requirements. Hence, it is not foreseen that there will be either increases or decreases to any program area and that the delivery of disaster assistance will continue in a timely and efficient manner. The funding level will not necessitate any changes in program priorities. Disaster programs required in Presidential disaster declarations will be made available to authorized recipients in the disaster area.

Federal Emergency Management Agency
Washington, D.C. 20472

Committee on Environment and Public Works
Questions and Answers

DISASTER RELIEF

3. What personnel increases or decreases are being proposed? How will this affect the agency's ability -- including any additional time it may take -- to carry out its program responsibilities?

For fiscal year 1984, FEMA is not requesting any change to permanent full-time staff for the disaster program. Program responsibilities will continue to be carried out in a timely and efficient manner.

Federal Emergency Management Agency
Washington, D.C. 20472

Committee on Environment and Public Works
Questions and Answers

DISASTER RELIEF

4. Please discuss any rescissions, deferrals or supplementals requested.

No rescissions, deferrals or supplementals have been requested.

Federal Emergency Management Agency
Washington, D.C. 20472

Committee on Environment and Public Works
Questions and Answers

DISASTER RELIEF

5. Please indicate if any legislative initiatives are necessary, or are being considered, to implement any part of the agency's fiscal 1984 budget request. If so, please describe these proposals.

The legislative initiatives encompassed in S2250 will be resubmitted by the Administration. These initiatives are now being completed, and they should be ready for submittal to the Congress within sixty days.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF ACTIVITY OVERVIEW

- **FY 1984 Proposed Funding**

- Because of a projected carryover balance of $431,964,000, FEMA is not requesting any increase to budget authority for FY 1984. This amount should be adequate to meet a "normal" year's requirements.

- **FEMA's FY 1983 Appropriation**: $130,000,000

- **FY 1984 Program Changes**

- Program changes addressed below assume the enactment in FY 1983 of new legislation similar to the S.2250 proposal (synopsis attached) that passed the Senate in the 97th Congress, with an additional provision permitting Federal funding of hazard mitigation projects under the current Section 406 of PL 93-288.

Also, it assumes successful completion of Project DELTA and implementation of its procedures. (See attachment.)

Preparedness/Operational Readiness

- A legislative proposal will be forwarded which, if approved, would double the $25,000 annual matching grant to $50,000, thereby doubling the program funding to $2,950,000 annually.

  In FY 1984, this will permit significantly greater staff effort in the States to assess all-hazard vulnerability, and then the development or improvement of response plans or procedures in an integrated emergency management system.

- Upon completion of a generic national plan for the immediate emergency response (from the event to approximately 30 days afterward) to a catastrophic earthquake, functional annexes will be developed and feasibility exercises will be conducted.

  Following completion of planning efforts for the immediate emergency phase, efforts will turn to other phases: Prediction Response; Initial Recovery; and Long-Term Restoration/Recovery. The sequence for these planning efforts has not yet been determined.

Disaster Response and Recovery

In FY 1984, there will be an intensive effort to revise and reissue regulations and guidelines to implement the new legislation.

Under a new definition of "emergency," FEMA will have the authority and funding capability to respond to a much broader range of imminent or actual emergencies or catastrophes in a limited fashion. FEMA will provide emergency and technical assistance to meet immediate needs while the President and Congress consider appropriate means to resolve the situation on a permanent basis.

Increased efforts at FEMA Headquarters and the Regions will be devoted to hazard mitigation matters, the interagency task force, hazard mitigation teams and other activities designed to prevent or reduce the effects of future natural disasters. If authority is available to fund mitigation projects, staff efforts will be directed to develop and implement criteria for administering such grants. Regional staff will then process and approve mitigation projects as a part of the Federal response in designated major disaster areas.

FEMA guidelines for small project public assistance grants will be developed and implemented to expedite and simplify the project application process. The new authority will speed cash flow to major disaster areas in that it will cover approximately 90% of the public assistance workload.

Requirements and procedures developed out of the Project DELTA study will be implemented in FY 1984. This effort should result in more effective sharing (by Federal and voluntary agencies) of information, ADP resources and staff, reductions in paperwork and more efficient delivery of Federal help to disaster areas.

Additionally, improved management oversight is expected as a result of an increased ADP capability. The conversion of the Disaster Management Information System from VULCAN to COBOL will be accomplished in FY 1983, along with the development of handbooks for users and training of managers, program specialists and keypunch operators. The ADP support activity should provide program managers and specialists at Headquarters as well as Regional and Field Offices with a much improved, more reliable program management information system.

- **FY 1984 New Initiatives**

In FY 1984, continued emphasis will be given to improving response capabilities with uniformity and consistency in the delivery of disaster assistance and services.

The DMIS capability will be maintained and improved. It is anticipated that the Public Assistance Automated system (a part of the Disaster Management Information System) will be converted to a data base management system. Improvements also are planned for ADP support to individual assistance and mitigation assistance program areas.

A formal evaluation system designed to provide feedback about disaster assistance program effectiveness has never been established. With contractor assistance in FY 1983, FEMA proposes to develop the methodology for an evaluation system which will be implemented in FY 1984. This represents a significant attempt to improve the program structure as well as the effectiveness and efficiency in which Federal assistance is delivered. Study efforts should be completed, analyzed and tested in early FY 1984, and an organized evaluation system in place by the close of the fiscal year.

The Disaster Assistance Program Office also projects the development of additional private sector initiatives in the form of a standby contract for the management of Temporary Housing Assistance under FEMA supervision.

- FY 1984 anticipated recisions and/or deferrals: None.

- Economic Assumptions and Spendout Rate

FEMA is projecting outlays of $221,804,000 for FY 1983 and $220,047,000 for FY 1984. These projections are based on the last nine years of disaster outlay activity as well as forecasts for new disaster declarations. The preceding two years (FY 1981 and FY 1982) lowered these projections considerably from forecasts of $490,000,000. The earlier estimate had been based on FY 1980 and preceding years and is now viewed as inflated because of the unprecedented obligation and outlay rate experienced during FY 1980 (Obligations of $849,095,000 and outlays of $573,760,000).

All estimates for the Disaster Relief Fund are based on historical activity. As such the estimates are expressed in constant dollars. By budget convention, no economic factors are used in arriving at these figures.

- Outyear Projections

- Funding levels: FEMA is currently forecasting budget requests of $325,000,000 annually beginning in FY 1985 through FY 1988.

- Program changes: None are anticipated at the present time assuming the legislative changes now being considered are enacted in FY 1983 or FY 1984.

Program costs are a function of the number, frequency and magnitude of disasters occurring in a given year. There will be a continuing and expanded activity in hazard mitigation as FEMA works toward reducing disaster damage and losses. Concurrently, FEMA will strive to improve its criteria, policies and procedures for disaster relief and recovery programs with a goal of providing Federal aid on a more timely, efficient and effective basis.

- Major Program Initiatives

FEMA will continue to look for better ways to provide grant (public) assistance to a State and affected local governments. An alternative is the block grant approach. This option and others will be investigated in detail for possible implementation in the outyears.

- Disaster Reservist Program

Disaster Assistance Employees (DAEs) are hired under the authority of Section 309(b) of Public Law 93-288 to provide staff augmentation support in disaster operations.

Disaster Reservists are DAEs on FEMA's rolls who are available on an on-call, as-needed basis for staff support. Currently there are some 1,500 Reservists, most of these on the rolls of the FEMA Regional Offices. These individuals, many of them retired, bring a great deal of expertise to the organization -- in administration, operations or technical competencies; they are engineers, public information officers, administrative officers and temporary housing specialists, etc.

By using Disaster Reservists, FEMA does not have to maintain a large staff dedicated to disaster assistance programs. We augment the permanent full time staff as needed, depending on the workload. At the same time we do not have to request so much help from other Federal agencies, where oftentimes it is "who can we spare" and "I have to get back to my regular job."

Disaster Reservists are the mainstay of the disaster assistance program in the field. We continue in our efforts to maintain and improve that capability -- looking for special skills, increasing minority participation, and training participants in the Region and on-the-job at the disaster site.

Disaster Assistance Employees are paid with program funds and yearly costs depend in large part on the number and severity of declared major disasters and emergencies.

February 2, 1983

DISASTER RELIEF FUND
STATUS OF FUNDS
($000)

Carryover Balance (FY 1983 Beginning of Year)		$527,984
FY 1983 Appropriation		$130,000
FY 1983 Obligation Authority		$657,984
Obligations and Commitments To Date		
Obligations to date	(13,394)	
Total Estimated Requirements (Disasters Declared FY 83)	(67,525)	
Estimated Remaining Requirements (Disasters Declared prior to FY 83)	(19,876)	
Improvement Grants	(1,475)	
Projections (Remainder FY 83)		
15 Major Disaster or Emergency Declarations at $8,250,000 each	(123,750)	
Total Actual and Projected Obligations		(226,020)
Estimated Carryover Balance to FY 1984		$431,964

SALARIES AND EXPENSES

DISASTER RELIEF ADMINISTRATION

	FY 1983	FY 1984
Full-Time Permanent Positions	144	144
Full-Time Equivalent Workyears	144	144
Average Grade	11	11
Average Salary	$35,063	$35,313

IMPACT OF BILL S.2250

Legislative Change	Assistance Under Current Legislation and Policies	Assistance Under Proposed Legislation	Proposed Rulemaking
New definitions of "major disaster" and "emergency."	By Congressional intent assistance normally available only for natural disasters, actual or imminent.	New "emergency" title clarifies that Federal Government could get involved to meet any emergency situation; permits stop-gap measures and 100% funding (except debris removal) while actions taken to resolve situation on permanent basis.	
Establishes in the statute 75/25 cost-sharing in public assistance.	75/25 cost sharing for all public assistance, except 100% for technical assistance - now done administratively by the declaration document.	Limits 75/25 cost sharing to restoration of damaged public facilities and debris removal. Allows 100% funding for emergency work. Proposed legislation explicit that State and local cost share would be considered part of State commitment.	Actions underway to liberalize and make more uniform eligibility criteria.
Expanded public assistance small project grant.	Relates to all projects of a State or local government which are grouped in a single project application that totals under $25,000.	Expands authority to include any project under $25,000, accounting for approximately 90% of public assistance activity.	Follow-on rules will ease the admin. burden on State and local applicants, speed grant approval and cash flow.
Hazard Mitigation	Requires evaluation and action on natural hazards in designated disaster area.	A FEMA proposal, not in S.2250, would provide funds for hazard mitigation. State would determine projects of highest priority subject to FEMA approval.	
Increased reimbursements for IFG admin. costs.	Allow 3% regardless of actual costs.	Permits reimbursement of 50% of additional costs above 3%.	
Increases allowable grant under Disaster Preparedness Improvement Grant Program.	Allows grants up to $25,000 per year.	Allows grants of up to $50,000 per year.	

January 26, 1983

Project Delta

The goals of Project Delta are to improve the timeliness and quality of service to disaster victims, minimize the possibility of duplication of benefits, reduce the paperwork burden and cut the administrative costs associated with providing disaster assistance to individuals. FEMA believes this effort is a more comprehensive one than the Combined Application and Verification Process, a developmental program which Project Delta has replaced.

By the start of Fiscal Year 1984, FEMA expects to have field tested a number of systems and procedural modifications in actual disasters, and will be preparing to implement those changes which proved successful in meeting the project goals. Specifically, by January, 1984, FEMA hopes to have in place:

1. a revised public information approach which, while encouraging individuals to apply for the assistance they need, apprises them of their own responsibilities to help themselves and provides them with a realistic explanation of what the Federal government can and cannot do for them;

2. a restructured disaster assistance application process which minimizes repetitive questions and significantly reduces the number of separate interviews the applicant has to undergo;

3. a number of procedures designed to eliminate duplicative or otherwise unnecessary visits to the applicants' homes or businesses in order to inventory and verify losses and damage;

4. complete computerization of application processing for at least two major programs, plus the computerization of information necessary to avoid duplication of benefits, in order to reduce costly and time-consuming manual processing; and

5. routine provision of special services for those applicants who may have difficulty in filling out government forms, obtaining required documentation and the like.

January 26, 1983

FY 1983 MAJOR DISASTERS

ESTIMATED FUNDING REQUIREMENTS

STATE	CONTRACT NUMBER	ESTIMATED REQUIREMENT
Hawaii	671	$17,650,000
Missouri	672	21,000,000
Arkansas	673	14,300,000
Illinois	674	8,475,000
Louisiana	675	6,100,000
		$67,525,000

REQUESTS FOR FEDERAL DISASTER ASSISTANCE

UNDER PL 93-288

April 1, 1974 to September 30, 1982

TYPE OF REQUEST	NO. OF REQUESTS	DECLARED AS REQUESTED	TURNED DOWN	OTHER ACTIONS
Major Disaster	449	253	177	19 1/
Emergency	121	70 2/	50	1 3/
Fire Suppression	56	29	27	

NOTES:

1/ Sixteen Emergencies, three amendments to prior declarations

2/ Total Emergencies declared = 86

3/ Amendment

COMMENTS: Of the 449 requests for a major disaster declaration, 56 percent resulted in a major disaster being declared.

If the requests for major disasters and emergencies are combined, there were 570 requests and 339 declarations -- or 59 percent declared either a major disaster or emergenc

MAJOR DISASTER DECLARATIONS MADE UNDER

PL 93-288

April 1, 1974 to September 30, 1982

	NUMBER	PERCENT
Severe Storms and Flooding	157	62
Tornadoes	37	15
Tornadoes and Flooding	17	7
Hurricanes and Typhoons	16	6
Severe Winter Weather	12	5
Levee or dam failure	3	1
Earthquake	2	1
Volcanic eruption	2	1
Timber fire	2	1
Urban fire	2	1
Drought	1	-
Landslide	1	-
Sewer explosion	1	-
Total	253	100

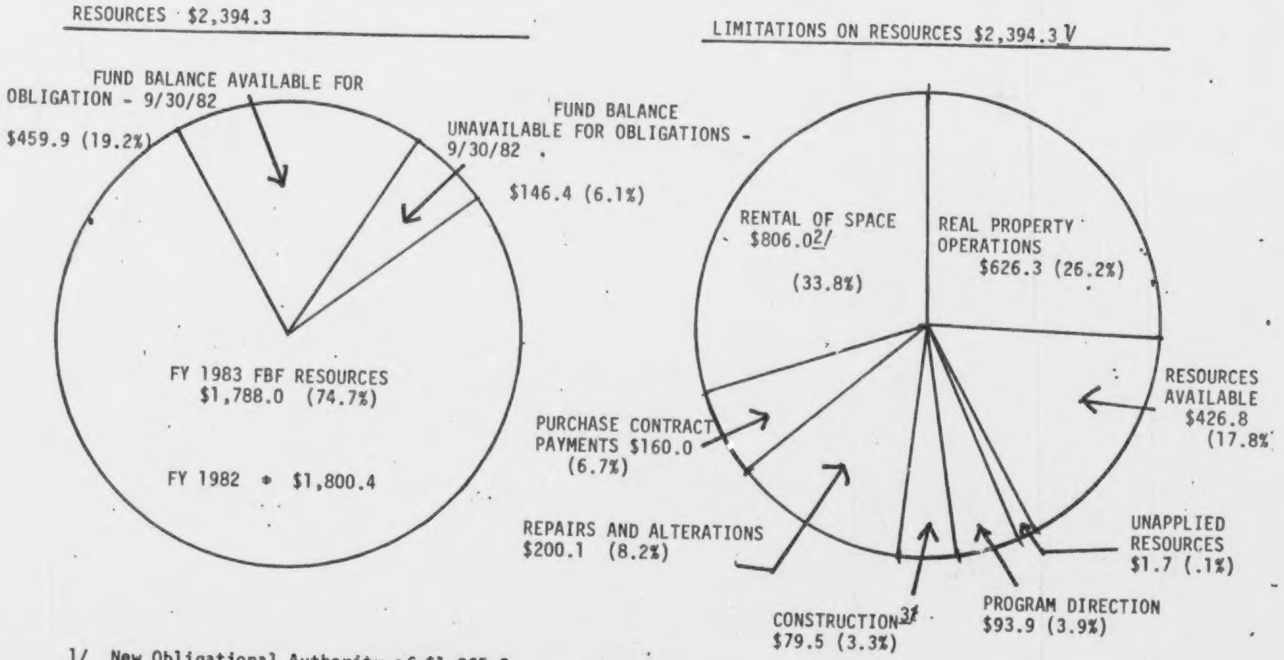
BUDGET EXPERIENCE
Disaster Relief Appropriation
FY 1974-1983

		Dollars in Millions	
Fiscal Year	Regular Appropriation	Supplemental Appropriation	Total Appropriation
1974	$200	$232.6	$432.6
1975	150	50	200
Transition Quarter	37.5	---	37.5
1976	150	---	150
1977	100	200	300
1978	150	300	450
1979	200	194	394
1980	193.6	870	1063.6
1981	358.449	---	358.449
1982	369.	---	369
1983	130	---	130

FISCAL YEAR 1984 BUDGET
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

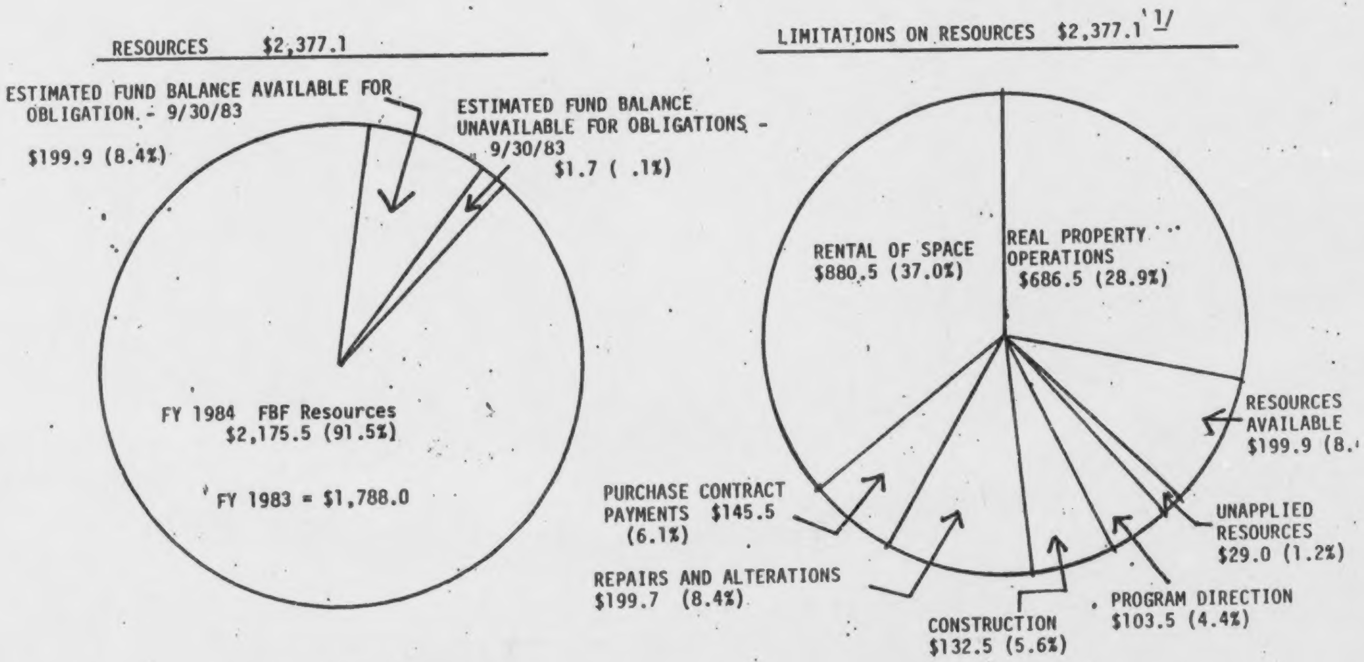
Prepared by:
Budget Division
1/27/83

FEDERAL BUILDINGS FUND
FY 83 ($ in Millions)



1/ New Obligational Authority of $1,965.8.
2/ Includes approved transfer authority of $36.0M.
3/ Includes claims supplemental of $8.1M.

FEDERAL BUILDINGS FUND
FY 84 ($ in Millions)



1/ New Obligational Authority of $2,148.2

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

ECONOMIC ASSUMPTIONS

- New construction projects were developed using the Capitalized Income Approach budgeting technique.
- Anticipated impact of inflation occurring in the construction industry will be approximately a 9% increase, FY 1983 to FY 1984.
- The FY 1984 Rental of Space program reflects an overall inflation increase of 9.2%.
- Program Direction increases related to supplies, materials, ADP costs, and other common distributables will be 6.5%.
- Taxes for purchase contract funded properties increased based on state and local taxing authorities appraisals.
- An inflation factor of 6.0% was used for utilities and fuel.
- Supplies, materials, and service contracts in the Real Property Operations program were increased at a rate of 5.1%.

GENERAL ASSUMPTIONS

- The FY 83 Standard Level User Charge freeze to the FY 82 level will reduce the availability of resources in FY 84 since there will be virtually no carryover from FY 83.
- The Fiscal Year 1984 budget reflects the best judgment of GSA at the time it was prepared. Individual projects and programs are subject to change based on our ongoing review and analyses of federal population changes, federal program redirection, space utilization initiatives, and available resources.

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

MAJOR INITIATIVES:

- To use the opportunity buy program and an advance design authority to expedite the delivery of space to client agencies.

- To further increase the ratio of Government-owned to leased housing for Government personnel to 60:40.

- To purchase ADP equipment for conversion of PBS Information Systems from a leased to in-house system.

- To reduce the utilization rate from 166 square feet per person to the target of 135 square feet per person in a cost effective manner.

- A major accomplishment has been the merging of the CSF into the FBF as an unfunded activity.

- Emphasis on reducing vacant space through reassignment, disposal and outleasing.

- A projected drop of up to 12% in Federal employees housed in GSA controlled space during the planning period.

Prepared by:
Budget Division
1/27/83

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND
FY 1984

FY 84 PROPOSED LEVEL

PBS proposes FY 1984 new obligational authority of $2,148,143,000 vs. $1,965,881,000 in FY 1983, an increase of $182,262,000.

- The FY 1984 Construction and Acquisition of Facilities program proposes to provide funding for new construction of two Federal buildings, demolition of two warehouses to clear a site for a parking lot, construction of two extensions to existing Federal Archives and Records Centers, acquisition of a post office-courthouse excess to the needs of the U. S. Postal Service, a number of non-prospectus construction projects (under $500,000), and purchases of commercial buildings as opportunities are identified.

- The FY 1984 Repairs and Alterations program major goal is to provide commercially equivalent space to tenant agencies. Therefore, the state of repair, appearance, and operating efficiency of facilities are given primary consideration in carrying out the responsibility. A major portion of the FY 1984 program is devoted to the basic work necessary to meet this goal and keep the buildings in an occupiable condition. In addition, retrofit projects which will result in GSA-controlled, Government-owned buildings being more energy efficient are emphasized. Emphasis is also being placed on the recycling of vacant and underutilized Government-owned space for occupancy. Accomplishing the FY 1984 program work in this area is estimated to result in $15.9 million rental cost avoidance annually.

- The FY 1984 Purchase Contract Payments program provides for payment of principal, interest, taxes and other requirements related to facilities acquired through the purchase contract method of financing new construction.

- The FY 1984 Rental of Space program provides for maintenance of 90.1 million square feet of leased space and an estimated 5,250 leases.

- The FY 1984 Real Property Operations program will provide for the delivery of commercially equivalent buildings operation services within all Government-owned facilities under the jurisdiction of GSA and for building services in leased space in the GSA inventory. Types of services included in building operations are cleaning, protection, maintenance, payments for utilities, fuel and other miscellaneous activities such as grounds maintenance, elevator operations, and day-to-day servicing of tenants' needs.

- The FY 1984 Program Direction program provides for the management, administration, supervision and operation of the Federal Buildings Fund (FBF) programs. In addition, other costs include travel, supplies, materials, contractual services, ADP services, communication and other costs which support all aspects of the FBF programs, and are more conveniently budgeted for and paid on a centralized basis.

Prepared by:
Budget Division
1/27/83

Federal Buildings Fund - Public Buildings Service
($000)

New Obligational Authority (NOA)

		FY 1983		FY 1984		Program change	
	Activity	FTE	Amount	FTE	Amount	FTE	Amount
1.	Construction	-	$ 79,517 1/	-	$ 132,510	-	$ 52,993
2.	Repairs and Alterations	-	200,165 5/	-	199,662	-	- 503
3.	Purchase Contract Payments	-	159,971	-	145,500	-	-14,471
4.	Rental of Space	-	806,000 2/	-	880,500	-	74,500
5.	Real Property Operations	10,094	626,346	9,396	686,500	-698	60,154
6.	Program Direction	1,760	93,882 3/	1,780	103,471	20	9,589
7.	Design and Construction Services 4/	743	(26,100)	743	(26,750)	-	(650)
	Total, PBS Direct	12,597	$1,965,881	11,919	$2,148,143	-678	$182,262
8.	Reimbursable	1,873	368,373	1,853	375,937	-20	7,564
	Total, PBS	14,470	$2,334,254	13,772	$2,524,080	-698	$189,826

1/ Reflects proposed supplemental of $8,102 thousand for payment of claims.

2/ **Includes transfer of $36,000 thousand.**

3/ Reflects proposed supplemental of $2,275 thousand for Pay Act increase.

4/ Amounts in parentheses are non-adds. The workyears for Design and Construction Services are funded from the benefiting PBS activities.

5/ **Includes transfer authority of $2,867 thousand to Rental of Space activity.**

Prepared by:
Budget Division
1/27/83

Federal Buildings Fund - Public Buildings Service

Summary of Employment	FY 1983		FY 1984		Program Change	
	FTP	FTE	FTP	FTE	FTP	FTE
1. Real Property Operations	10,033	10,094	9,335	9,396	-698	-698
a. Cleaning	(3,625)	(3,625)	(2,959)	(2,959)	(-666)	(-666)
b. Utilities	-	-	-	-	-	-
c. Maintenance	(2,863)	(2,863)	(2,835)	(2,835)	(-28)	(-28)
d. Other Building Service	(1,420)	(1,481)	(1,416)	(1,477)	(-4)	(-4)
e. Protection	(1,895)	(1,895)	(1,895)	(1,895)	-	-
f. Contracts	(230)	(230)	(230)	(230)	-	-
2. Program Direction	1,700	1,760	1,720	1,780	+20	+20
3. Design and Construction Services	723	743	723	743	-	-
Total, PBS Direct	12,456	12,597	11,778	11,919	-678	-678
4. Reimbursable	1,214	1,873	1,194	1,853	-20	-20
Total, PBS	13,670	14,470	12,972	13,772	-698	-698
Direct						
Average GS Grade	8.59		8.59			
Average GS Salary	$21,601		$21,628			
Average Salary of Ungraded	$19,792		$19,811			
Reimbursable						
Average GS Grade	5.37		5.26			
Average GS Salary	$14,390		$14,074			
Average Salary of Ungraded	$16,581		$16,828			

Prepared by;
Budget Division
1/27/83

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND
FY 1984 BUDGET REQUEST
(DOLLARS IN THOUSANDS)

CONSTRUCTION:	FY 1983 Level	79,517
	FY 1984 Level	132,510
	Increase	52,993

- PROJECTS:

A. New Construction:	
1. Los Angeles, California - Demolition (Will provide for demolition of two warehouses to prepare the site for surface parking.)	$ 599
2. Portland Oregon - Federal Office Building (Will provide for construction/management and inspection costs of an office building to house the Bonneville Power Administration of the department of Energy and other government offices.)	67,475
3. Knoxville, Tenessee - Federal Buildings (Will house offices of Federal agencies currently in leased space.)	14,990
B. Extensions:	
1. Waltham Massachusetts - Federal Archives and Records Center Extension (Will allow expansion space for an increase in the volume of records.)	1,621
2. Seattle Washington - Federal Archives and Records Center Extension (Will provide additional storage and related space.)	3,525
C. Acquisition of U.S. Postal Service Properties:	
Acquisition of one U.S. Postal Service property will insure uninterrupted use by U.S. Courts and other agencies as well as providing space for Federal offices now in leased locations, resulting in a combined rental savings and rent avoidance of $5,800 thousand.	23,300
D. Construction Projects Less Than $500,000:	
These funds will permit rapid and efficient development of smaller projects within the authority of regional offices after the concurrence of Cental Office.	1,000
E. Purchase of Commercial Buildings:	
These funds will permit expeditious purchase of commercial buildings to take advantage of favorable opportunities.	20,000
TOTAL	$132,510

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CONSTRUCTION AND ACQUISITION
FY 1983 - FY 1984
($000)

Project Listing	FY 1983	FY 1984
Birmingham, AL, CT	$29,591	
Youngstown, OH, FB-CT	10,062	
Washington, DC, Federal Triangle, FB	3,500	
Long Beach, CA, FB	3,000	
New York, NY, US Mission (Extension)	2,050	
Los Angeles, CA, Demolition		$ 599
Portland, OR, FOB		67,475
Knoxville, TN, FB		14,990
Waltham, MA, FARC (Extension)		1,621
Seattle, WA, FARC (Extension)		3,525
Acquisition of USPS Properties	8,098	23,300
Construction of Projects Less Than $500,000	1,000	1,000
Purchase of Commercial Buildings	14,114	20,000
Claims	8,102	
Total	$79,517[1]	$132,510

[1] Amount included in continuing resolution (P.L. 97-377).	$71,415
Supplemental appropriation required for payment of claims.	8,102
	$79,517

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1/27/83

PROJECT DESCRIPTIONS - FY 1984 NEW PROJECTS

CONSTRUCTION

	Prospectus Status
Los Angeles, California - Warehouse Demolition GSA proposes to demolish two seismically unsafe warehouses located on a Government-owned site at Alameda and Temple Streets in downtown Los Angeles at an estimated cost of $599,000. The site would be used to provide surface parking for 350 vechicles to meet the needs of agencies in the Federal Building adjoining the site and the U.S. Courthouse located two blocks away. A Federal Building is ultimately planned for construction on the site.	Prospectus submitted to OMB 4-27-82.
Waltham, Massachusetts - Federal Archives and Records Center (Extension) The National Archives and Records Service identified a need for additional space to accommodate the increases in the volume of records to be placed in storage. GSA proposes the construction of a 32,000 occupiable square foot extension to the Federal Archives and Records Center at Waltham to provide the needed space. The existing property can accommodate the extension. The estimated cost of this project is $1,621,000.	Prospectus submitted to OMB 4-27-82.
Portland, Oregon - Federal Office Building GSA proposes to construct a 515,000 occupiable square foot Federal Building on the site of a Government-owned parking lot next to the Federal Building at 1002 N.E. Holladay, on the east side of Portland. The primary tenant would be the Bonneville Power Administration of the Department of Energy. Building design emphasizes energy conservation. In FY 1982 Congress provided GSA $5,000,000 for undesignated advance design work. $3,300,000 of this amount is being used for the Portland project, and an additional $67,475,000 is requested for completion of the building.	Prospectus submitted to OMB 4-27-82.
Knoxville, Tennessee - Federal Building GSA proposes to construct a new Federal Building to house Federal agencies currently in leased space. The building would provide 114,489 occupiable square feet, including interior parking for 30 vehicles. It would also provide exterior parking for 75 vehicles. The primary occupants would be the Departments of Defense, Health and Human Services, Housing and Urban Development, Justice, and Treasury. Estimated project cost is $14,990,000.	Prospectus to be submitted.

Prospectus Status

Seattle, Washington - Federal Archives and Records Center (Extension)

Prospectus submitted to OMB 4-27-82.

GSA proposes to construct a 53,000 occupiable square foot extension to the building now housing the Federal Archives and Records Service. The extension is needed for additional storage and related space. The existing property has sufficient space to accommodate the extension. The estimated project cost is $3,525,000.

ACQUISITION OF EXCESS U.S. POSTAL SERVICE PROPERTIES

Pittsburgh, Pennsylvania, Post Office-Courthouse

Not required.

GSA has determined that the best interests of the Government would be served by acquiring custody and control of this property that is excess to the needs of the U.S. Postal Service to meet space requirements in the Pittsburgh area. The U.S. Postal Service (USPS) plans to vacate this 564,000 square foot building and relocate in a new mail-handling facility now under construction. There are extensive court facilities in this building. Since new construction of court facilities is very expensive, GSA plans to acquire the Post Office-Courthouse and renovate it for continued court use and housing for other agencies now in leased space. Consolidating Federal agencies from 13 leased locations and not leasing space for courts and other activities currently in the building will result in a combined rental savings and rental avoidance of $5,800,000. The estimated acquisition cost is $23,300,000. R&A funds of $8,974,900 are requested in FY 1984 for renovation of the building and to convert postal space to office space.

PURCHASE OF COMMERCIAL BUILDINGS

Prospectuses to be submitted as required.

Funds in the amount of $20,000,000 are requested to purchase commercial buildings as the oppportunity arises. Because owners are unwilling or unable to hold an offer open on a building for the length of time necessary to secure authorization and funding through the existing prospectus and budgetary process, it would be very difficult to identify a purchase opportunity and acquire the property if each acquisition were to be budgeted for by location. If funds were authorized for this purpose, GSA would be able to proceed as favorable opportunity purchases are identified and prospectuses are proposed and approved. Prospectuses would be developed and submitted to the Office of Management and Budget and Public Works Committees of the Congress for approval of purchases over $500,000. After approval of prospectuses by both Committees the purchase could proceed immediately, using funds available for this purpose.

CONSTRUCTION PROJECTS LESS THAN $500,000

Not required.

Funds in the amount of $1,000,000 are requested for the development of projects not subject to prospectus approval (less than $500,000) identified by our regional offices. These funds would permit smaller projects to be developed quickly and efficiently within the authority of the regional office after concurrence by Central Office. Examples of such projects are acquisition of land for additional parking, purchase of buildings, and extensions to existing Federal facilities.

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND
FY 1984 BUDGET REQUEST

($000)

REPAIRS AND ALTERATIONS ($199,662 THOUSAND): Provides for alterations and repairs on public buildings.

- FUNDING AT $199,662 THOUSAND LEVEL.

FY 1983	$200,165
FY 1984	199,662
DIFFERENCE -$	503

- MAKES POSSIBLE BETTER UTILIZATION OF EXISTING BUILDING SPACE.
- PROVIDES FOR CONTINUED EMPHASIS BY GSA TO MAKE GSA-CONTROLLED, GOVERNMENT-OWNED BUILDINGS ACCESSIBLE TO THE HANDICAPPED.
- PROVIDES FOR EIGHTH YEAR OF A TEN YEAR ENERGY RETROFIT PROGRAM IN EXISTING GSA FACILITIES.
- PROVIDES FOR FUNDING DEVOTED TO BASIC WORK TO CORRECT DETERIORATION AND MALFUNCTION TO ENSURE OPERATIONAL CONTINUITY OF EXISTING FACILITIES.

Prepared by:
Budget Division
1/27/83

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND
FY 1984 BUDGET REQUEST
($000)

REPAIRS AND ALTERATIONS ($199,662 THOUSAND):

- DECREASE OF $ 503 THOUSAND OVER THE 1983 LEVEL

		1983	1984	FY 1983 TO 1984 INCREASE OR DECREASE
A.	BASIC WORK TO CORRECT DETERIORATION, MALFUNCTION, AND OBSOLESCENCE	$98,338	$ 122,713	$ + 24,375
B.	IMPROVEMENT TO SPACE TO PROMOTE UTILIZATION	49,826	43,590	- 6,236
C.	SPECIAL FIRE PREVENTION, LIFESAFETY AND PROPERTY PROTECTION	27,781	17,400	- 10,381
D.	SPECIAL AIDS FOR THE HANDICAPPED	2,476	1,966	- 510
E.	SPECIAL ENVIRONMENTAL PROTECTION	2,719	1,097	- 1,622
F.	SPECIAL ENERGY CONSERVATION	19,025	12,896	- 6,129
	TOTAL	$200,165	$ 199,662	$ - 503

Prepared by:
Budget Division
1/27/83

		OBLIGATIONAL AUTHORITY								
PROJECT LOCATION PROSPECTUS STATUS PROSPECTUS AUTHORITY	OBLIGATIONS THRU 9-30-82	PROGRAMMED FY 83	PLANNED FY 84	BASIC WORK	IMPROVEMENT TO SPACE	FIRE, LIFESFTY & PROPERTY PROTECTION	HANDICAPPED AIDS	ENVIRONMENTAL PROTECTION	ENERGY CONSERVATION	DESCRIPTION OF WORK TO BE PERFORMED IN FY 84
ALASKA										
Anchorage, FB-CT Approved H - 9-16-82 Approved S - Pending $6,968,000	-	6,968	-	-	-	-	-	-	-	-
ARIZONA										
Phoenix, FB-CT Approved H - 9-16-82 Approved S - Pending $1,724,000	-	1,724	-	-	-	-	-	-	-	-

PROJECT LOCATION PROSPECTUS STATUS PROSPECTUS AUTHORITY	OBLIGATIONS THRU 9-30-82	OBLIGATIONAL AUTHORITY PROGRAMMED FY 83								DESCRIPTION OF WORK TO BE PERFORMED IN FY 84
			PLANNED FY 84	BASIC WORK	IMPROVE-MENT TO SPACE	FIRE, LIFESFTY & PROPERTY PROTECTION	HANDI-CAPPED AIDS	ENVIRON-MENTAL PROTECTION	ENERGY CONSER-VATION	
ARKANSAS										
Little Rock, PO-CT Approved H - 8-26-80 Approved S - Pending $4,570,000	-	A/	4,269[B/]	2,544	615	720	-	-	390	Upgrade air conditioning, electrical, and lighting systems; replace floor covering and drains; install water circulation pumps, fire sprinklers; and an emergency generator; repair loading dock; replace sidewalk; provide exterior landscaping and install lawn sprinklers; prepare space for occupancy by U.S. Courts; provide an air conditioning unit for off hours operation; extend fire stairs; install an additional fire stair; and install storm windows and solar film.
CALIFORNIA										
San Diego, FB-CT Approved H - 2-21-80 Approved S - Pending $2,998,000	-	2,998	-	-	-	-	-	-	-	-
San Francisco Appraisers Store Approved H - Pending Approved S - Pending $10,897,000	-	846	10,051	8,860	-	1,191	-	-	-	Replace exterior surface and install a fire sprinkler system.

PROJECT LOCATION PROSPECTUS STATUS PROSPECTUS AUTHORITY	OBLIGATIONS THRU 9-30-82	OBLIGATIONAL AUTHORITY								DESCRIPTION OF WORK TO BE PERFORMED IN FY 84
		PROGRAMMED FY 83	PLANNED FY 84	BASIC WORK	IMPROVE-MENT TO SPACE	FIRE, LIFESFTY & PROPERTY PROTECTION	HANDI-CAPPED AIDS	ENVIRON-MENTAL PROTECTION	ENERGY CONSER-VATION	
COLORADO										
Denver, FB-CT Approved H - 6-09-82 Approved S - 9-13-79 $2,404,000	-	2,404	-	-	-	-	-	-	-	-
Denver, DFC #20 Approved H - 6-09-82 Approved S - Pending $16,514,000	-	10,087	6,427	5,835	-	592	-	-	-	Provide space for laboratory by installing new ceilings, lighting, partitions and flooring; modify HVAC and plumbing systems for laboratory use; install fire sprinklers, alarms, and an emergency generator, Phase II.
DISTRICT OF COLUMBIA										
Auditors Approved H - Pending Approved S - Pending $9,950,000	-	656	-	-	-	-	-	-	-	-
Blair House Approved H - Pending Approved S - 8-5-82 $7,020,000	-	2,000	-	-	-	-	-	-	-	-
Interior Approved H - Pending Approved S - Pending $9,140,000	-	602	-	-	-	-	-	-	-	

PROJECT LOCATION PROSPECTUS STATUS PROSPECTUS AUTHORITY	OBLIGATIONS THRU 9-30-82	OBLIGATIONAL AUTHORITY								DESCRIPTION OF WORK TO BE PERFORMED IN FY 84
		PROGRAMMED FY 83	PLANNED FY 84	BASIC WORK	IMPROVE-MENT TO SPACE	FIRE, LIFESFTY & PROPERTY PROTECTION	HANDI-CAPPED AIDS	ENVIRON-MENTAL PROTECTION	ENERGY CONSER-VATION	
DISTRICT OF COLUMBIA (Cont'd)										
Liberty Loan Approved H - 6-09-82 Approved S - Pending $7,217,000	-	4,460	2,757	2,757	-	-	-	-	-	Replace elevators; upgrade office space by installing ceilings, lighting, flooring and partitions; upgrade electrical and domestic water systems; provide exterior landscaping; and upgrade restrooms.

PROJECT LOCATION PROSPECTUS STATUS PROSPECTUS AUTHORITY	OBLIGATIONS THRU 9-30-82	OBLIGATIONAL AUTHORITY								DESCRIPTION OF WORK TO BE PERFORMED IN FY 84
		PROGRAMMED FY 83	PLANNED FY 84	BASIC WORK	IMPROVE-MENT TO SPACE	FIRE, LIFESFTY & PROPERTY PROTECTION	HANDI-CAPPED AIDS	ENVIRON-MENTAL PROTECTION	ENERGY CONSER-VATION	
DISTRICT OF COLUMBIA (Cont'd)										
Pension Approved by P.L. - 96 - 515 $24,000,000	2,459	1,750	-	-	-	-	-	-	-	-
Steam Distribution System Approved H - Pending Approved S - Pending $15,200,000	-	-	886	886	-	-	-	-	-	Accomplish design of planned FY 1985 project. The construction phase will provide for structural repairs, replacement of the steam line across the Ellipse, and repairs to the steam lines, electrical system and tunnels.
West Heating Plant Approved H - Pending Approved S - Pending $11,725,000	-	2,190	-	-	-	-	-	-	-	-
FLORIDA										
Miami, PO-CT Approved H - 5-24-79 Approved S - 9-13-79 $5,451,000	1,759	1,400	-	-	-	-	-	-	-	-
GEORGIA										
Atlanta, Federal Annex Approved H - 11-19-80 Approved S - Pending $9,846,000	-	653	9,193	4,374	3,938	718	163			Convert postal space; upgrade office space and building systems and install firesafety and handicapped items.
Atlanta, CT of Appeals Approved H - 5-13-82 Approved S - 3-30-82 $7,702,000	21 c/	7,681	-	-	-	-	-	-	-	-

PROJECT LOCATION PROSPECTUS STATUS PROSPECTUS AUTHORITY	OBLIGATIONS THRU 9-30-82	OBLIGATIONAL AUTHORITY								DESCRIPTION OF WORK TO BE PERFORMED IN FY 84
		PROGRAMMED FY 83	PLANNED FY 84	BASIC WORK	IMPROVEMENT TO SPACE	FIRE, LIFESAFETY & PROPERTY PROTECTION	HANDICAPPED AIDS	ENVIRONMENTAL PROTECTION	ENERGY CONSERVATION	
INDIANA										
Gary, PO CT Approved H - 7-26-79 Approved S - 12-22-80 $2,459,300	-	2,459	-	-	-	-	-	-	-	-
Lafayette, PO CT Approved H - 12-10-79 Approved S - Pending $1,300,000	-	1,300	-	-	-	-	-	-	-	-
South Bend, FB CT Approved H - 12-10-80 Approved S - Pending $5,900,000	-	5,511	-	-	-	-	-	-	-	-
LOUISIANA										
New Orleans, Hebert FB Approved H - Pending Approved S - Pending $6,808,000 Revision to be submitted	-	-	611	611	-	-	-	-	-	Accomplish design of planned FY 1985 project. The construction phase will provide for the conversion of postal space to office space, the upgrading of the existing office space and mechanical systems and the installation of fire safety items.
MARYLAND										
Baltimore, Middle River Approved H - 7-26-79 Approved S - Pending $4,756,000	-	2,864	1,892	1,458	-	406	28	-	-	Replace electrical underground distribution system, incandescent lighting and freight elevators; install fire walls; provide new stairway; modify existing stairs; upgrade exit signs; and resurface parking area and widen service road.

PROJECT LOCATION PROSPECTUS STATUS PROSPECTUS AUTHORITY	OBLIGATIONS THRU 9-30-82	OBLIGATIONAL AUTHORITY								DESCRIPTION OF WORK TO BE PERFORMED IN FY 84
		PROGRAMMED FY 83	PLANNED FY 84	BASIC WORK	IMPROVE-MENT TO SPACE	FIRE, LIFESFTY & PROPERTY PROTECTION	HANDI-CAPPED AIDS	ENVIRON-MENTAL PROTECTION	ENERGY CONSER-VATION	
MARYLAND (Cont'd)										
Suitland, WIC #1 Approved H - 9-16-82 Approved S - Pending $9,760,000	-	-	9,760	3,212	4,707	1,841	-	-	-	Upgrade the HVAC and electrical systems; install additional elevator; upgrade office space, lobbies and restrooms; close off windows; convert office space to special purpose space; and install fire alarms, exits and sprinklers.
MICHIGAN										
Detroit, FB-CT Approved H - 6-09-82 Approved S - Pending $7,806,000	-	2,849	4,957	2,415	1,808	734	-	-	-	Repair roof; install HVAC controls, fan coils, chillers and valves; replace granite steps and postal screens; upgrade restrooms and replace custodial sinks; provide space for bankruptcy courts and relocate other tenants; and install fire sprinklers, fire doors and emergency lights.

PROJECT LOCATION PROSPECTUS STATUS PROSPECTUS AUTHORITY	OBLIGATIONS THRU 9-30-82	OBLIGATIONAL AUTHORITY								DESCRIPTION OF WORK TO BE PERFORMED IN FY 84
		PROGRAMMED FY 83	PLANNED FY 84	BASIC WORK	IMPROVEMENT TO SPACE	FIRE, LIFESFTY, & PROPERTY PROTECTION	HANDICAPPED AIDS	ENVIRONMENTAL PROTECTION	ENERGY CONSERVATION	
MISSOURI										
St. Louis, FC #110 Approved H - 9-16-82 Approved S - Pending $6,113,000	-	6,113	-	-	-	-	-	-	-	
NEW JERSEY										
Bayonne, FARC Approved H - 6-09-82 Approved S - Pending $1,905,000	-	1,905	-	-	-	-	-	-	-	
NEW YORK										
New York 252 7th Avenue Approved H - To be submitted Approved S - To be submitted $2,579,000 (Design only)	-	-	2,579	2,579	-	-	-	-	-	Accomplish design of planned FY 1985 project. The construction phase will provide for the complete upgrading of office space and replacement of the HVAC, plumbing, and electrical systems.

$40m

[illegible]

PROJECT LOCATION PROSPECTUS STATUS PROSPECTUS AUTHORITY	OBLIGATIONS THRU 9-30-82	OBLIGATIONAL AUTHORITY								DESCRIPTION OF WORK TO BE PERFORMED IN FY 84
		PROGRAMMED FY 83	PLANNED FY 84	BASIC WORK	IMPROVE-MENT TO SPACE	FIRE, LIFESFTY & PROPERTY PROTECTION	HANDI-CAPPED AIDS	ENVIRON-MENTAL PROTECTION	ENERGY CONSER-VATION	
NORTH CAROLINA										
Asheville, Grove Arcade Approved H - Pending Approved S- Pending $8,364,000	-	1/	-	-	-	-	-	-	-	-
OHIO										
Cincinnati, PO-CT Approved H - 4-20-80 Approved S - 9-13-79 $6,485,000	46	2,636	1,138	411	197	450	80	-	-	Upgrade office space and prepare space for interim occupancy for displaced agencies; repair floor tile, underfloor ducts, lobby marble and concrete retaining wall; install pyrometers, an HVAC control center and electrical ground wires; drain utility tunnel; install fire sprinklers, fire subdivisions, fire exits, and an emergency generator; and provide facilities for the handicapped.
OREGON										
Portland, USCT (New) Approved H - 2-02-80 Approved S - 9-13-79 $7,187,000	215	2,999	-	-	-	-	-	-	-	-

PROJECT LOCATION PROSPECTUS STATUS PROSPECTUS AUTHORITY	OBLIGATIONS THRU 9-30-82	OBLIGATIONAL AUTHORITY								DESCRIPTION OF WORK TO BE PERFORMED IN FY 84
		PROGRAMMED FY 83	PLANNED FY 84	BASIC WORK	IMPROVE-MENT TO SPACE	FIRE, LIFESFTY & PROPERTY PROTECTION	HANDI-CAPPED AIDS	ENVIRON-MENTAL PROTECTION	ENERGY CONSER-VATION	
PENNSYLVANIA										
Pittsburgh, PO-CT Approved H - Pending Approved S - Pending $9,727,900	-	753	8,975	1,904	6,215	641	215			Convert postal space to office space; upgrade office space and building systems and install firesafety and handicapped items.
PUERTO RICO										
Hato Rey, PB-CT Approved H - 5-13-82 Approved S - Pending $3,133,000	-	3,133	-	-	-	-	-	-	-	-
TEXAS										
Dallas, Terminal Annex Approved H - 6-09-82 Approved S - Pending $7,997,000	-	7,997	-	-	-	-	-	-	-	-
UTAH										
Ogden, IRS Approved H - 6-09-82 Approved S - Pending $5,815,000	-	2,779	3,036	1,508	-	-	-	-	1,528	Resurface parking lot, install drainage system, and modify HVAC for energy conservation.

PROJECT LOCATION PROSPECTUS STATUS PROSPECTUS AUTHORITY	OBLIGATIONS THRU 9-30-82	OBLIGATIONAL AUTHORITY								DESCRIPTION OF WORK TO BE PERFORMED IN FY 84
		PROGRAMMED FY 83	PLANNED FY 84	BASIC WORK	IMPROVE-MENT TO SPACE	FIRE, LIFESFTY & PROPERTY PROTECTION	HANDI-CAPPED AIDS	ENVIRON-MENTAL PROTECTION	ENERGY CONSER-VATION	
VIRGINIA										
Alexandria, Hybla Valley Approved H - 9-16-82 Approved S - Pending $1,627,000	-	1,627	-	-	-	-	-	-	-	-
Alexandria, PO-CT Approved H - 12-09-80 Approved S - 9-13-79 $1,550,000	-	1,550	-	-	-	-	-	-	-	-
Norfolk, PO-CT Approved H - 11-05-81 Approved S - Pending $6,094,000	-	6,094	-	-	-	-	-	-	-	-
WASHINGTON										
Seattle, FB-CT Approved H - 12-09-80 Approved S - 9-13-79 $3,989,000	148	1,623	-	-	-	-	-	-	-	-
Yakima, FB-CT Approved H - 4-23-80 Approved S - Pending $2,363,000	-	1,338	1,025	877	-	148	-	-	-	Repair plumbing lines; paint interior; provide exterior landscaping; upgrade office space by installing ceilings, lighting, partitions and flooring; and install fire sprinklers, fire walls and a security system.

PROJECT LOCATION PROSPECTUS STATUS PROSPECTUS AUTHORITY	OBLIGATIONS THRU 9-30-82	OBLIGATIONAL AUTHORITY PROGRAMMED FY 83	PLANNED FY 84	BASIC WORK	IMPROVE-MENT TO SPACE	FIRE, LIFESFTY & PROPERTY PROTECTION	HANDI-CAPPED AIDS	ENVIRON-MENTAL PROTECTION	ENERGY CONSER-VATION	DESCRIPTION OF WORK TO BE PERFORMED IN FY 84
Total Prospectus Projects Over $500,000 - Design, Construction, Management and Inspection		$101,949	$ 67,556	$ 40,231	$17,480	$ 7,441	$ 486	$ 0	$ 1,918	
Projects Under $500,000										
Construction		88,464E/	115,910	72,447	22,878	8,351	1,336	990	9,908	
Design, Management and Supervision		9,752	16,196	10,035	3,232	1,608	144	107	1,070	
Total		$200,165	$199,662	$122,713	$43,590	$17,400	$1,966	$1,097	$12,896	

A/ Funds reprogramed to the Rental of Space activity $1,269,000 of the $1,570,000 authorized in FY 1983 for this prospectus.

B/ Includes reauthorization of the $1,269,000 authorized in FY 1983 for this prospectus reprogramed to Rental of Space.

C/ Funds to initiate design of this project authorized by House and Senate passage of H.R. 5922.

D/ Funds reprogramed to the Rental of Space activity the $550,000 authorized in FY 1983 for this prospectus.

E/ Funds reprogramed to the Rental of Space activity $1,048,000 authorized for projects under $500,000.

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND
PURCHASE CONTRACT PAYMENTS
FY 1984 BUDGET REQUEST
(DOLLARS IN THOUSANDS)

PURCHASE CONTRACT PAYMENTS ($145,000): Provides for payment of principal, interest, taxes, and other requirements related to the acquisition of facilities through the purchase contract method of financing.

	FY 1983	FY 1984	Changes
PRINCIPAL	$ 27,691	$ 18,319	$- 9,372
INTEREST	102,911	96,956	- 5,955
TAXES	29,244	30,100	+ 856
ADMINISTRATION	125	125	-0-
TOTAL	$159,971	$145,500	$-14,471

The program has provided 22.8m gross square feet of space to the Federally owned inventory.

Total estimated value of the construction is $1,288,400 thousand.

The net decrease from FY 1983 to FY 1984 of $14,471 thousand is a result of a $15,327 thousand reduction in principal and interest payments due to lower interest on the dual systems indentures, realized by early redemption of outstanding certificates on the open market and borrowings from the Federal Financing Bank which were lower than anticipated. This reduction is offset by an estimated tax increase of $856 thousand.

Prepared by:
Budget Division
1/27/83

GENERAL SERVICES ADMINISTRATION
FEDERAL BUILDINGS FUND
PUBLIC BUILDINGS SERVICE
RENTAL OF SPACE
FY 1983 TO FY 1984
(IN MILLIONS)

FY 1983 PROGRAM LEVEL		$806.0 1/
PROGRAM CHANGES		
Part-Year Costs of Expansion Space leased in FY 1984	2.7	
Part-Year savings due to cancellations in FY 1984	-4.6	-1.9
OTHER CHANGES		
Annualization of Part-Year Costs for Expansion Space Acquired in FY 1983	7.2	
Annualization of Part-Year Costs for Rental Rate Increase During FY 1983	34.6	
Annualization of savings due to cancellations in FY 1983	-6.3	
Part-Year Costs of FY 1984 Rental Rate Increases	39.4	
Increased Cost for Space in USPS Facilities	1.5	
Net Change for Services now Provided by Government	-	
Net Change in lump-sum payments to Lessors for lease buy-outs, condemnations, and restorations	-	76.4
FY 1984 TOTAL REQUIREMENT		$880.5

1/ **Includes $36,000 thousand of transfer authority.**

FY 1983 Level	$806.0
FY 1984 Level	$880.5
Increase	$ 74.5

Prepared by:
Budget Division
1/27/83

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND
EXPLANATION OF CHANGES
REAL PROPERTY OPERATIONS
($000)

	FY 1983 Program Level	$626,346	
	FY 1984 Request	686,500	
	Increase	$ 60,154	9.6% Increase
	FY 1983 Request		$626,346
	Increases		
A.	New Workload.	7,857	
B.	Utility rates and fuel costs.	13,412	
C.	Supplies, Materials, Contracts.	8,563	
D.	Incidental Repairs, scheduled fuel replenishments, equipment purchases, and minor space adjustments deferred from FY 1983.	19,289	
E.	Field office resizing initiative.	2,894	
F.	Change in moving requirements.	9,209	
G.	Installation and maintenance of perimeter security systems.	8,240	
H.	Full year costs of FY 83 Wage Board and Classified Pay Act Increases.	8,867	
	Sub-Total - Increases		$ 78,331
	Decreases		
A.	Release of space.	- 885	
B.	Reduced contract guard service requirements due to installation of perimeter security systems.	- 8,240	
C.	Savings due to programmatic changes for energy conservation efforts.	- 2,554	
D.	A-76 Contract conversions.	- 5,483[1]	
E.	Functional transfer	- 1,015	
	Sub-Total - Decreases		- $18,177
	FY 1984 Request		$686,500

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[1] Savings do not reflect the impact of P.L. 97-377, enacted December 22, 1982, which prohibits GSA from obligating or expending funds for contracts for certain services performed by GSA employees.

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND
REAL PROPERTY OPERATIONS
1984 BUDGET REQUEST
($000)

Real Property Operations ($686,500) thousand

Provides for Increase of $60,154 thousand over the FY 1983 Level.

FUNCTION	1983	1984	Change
Cleaning	$190,436	$195,332	$ 4,896
Utilities	223,534	242,461	18,927
Mechanical	97,954	114,710	16,756
Other Building Services	53,433	71,640	18,207
Sub-Total - Buildings Management	565,357	624,143	58,786
Protection	49,649	51,747	2,098
Office of Contracts	11,340	10,610	-730
Total	$626,346	$686,500	$60,154

Prepared by:
Budget Division
1/27/83

GENERAL SERVICES ADMINISTRATION
FEDERAL BUILDINGS FUND
PUBLIC BUILDINGS SERVICE
PROGRAM DIRECTION
FY 1983 vs 1984
(000)

EXPLANATION OF CHANGES

FY 1983 Level	$ 93,882 1/
FY 1984 Level	$103,471
Increase	$ 9,589
A. Increase of 20 positions to implement transfer of the Office of Public Utilities to FBF (Funded by Operating Expenses, Transportation and Public Utilities Service in 1983).	$ 719
B. Increase in centralized support services.	$ 2,522
C. Purchase of ADP equipment and services for INFONET conversion.	$ 4,700
D. Inflation and miscellaneous increases	$ 1,648
	$ 9,589

1/ Includes $2,275 thousand for proposed Pay Act supplemental.

Prepared by:
Budget Division
1/27/83

GENERAL SERVICES ADMINISTTATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND
REIMBURSABLE SERVICES
($000)

FY 1984	$375,937
FY 1983	368,373
Difference	$ 7,564

FUNCTION	1983	1984	Increase
Space Adjustments	$103,198	$121,607	$18,409
Protection	88,143	93,300	5,157
Utilities	95,060	98,300	3,240
Maintenance	24,241	31,700	7,459
Cleaning	15,225	13,400	-1,825
Other Reimbursable Services	42,506	17,630	-24,876
Total	$368,373	$375,937	$7,564

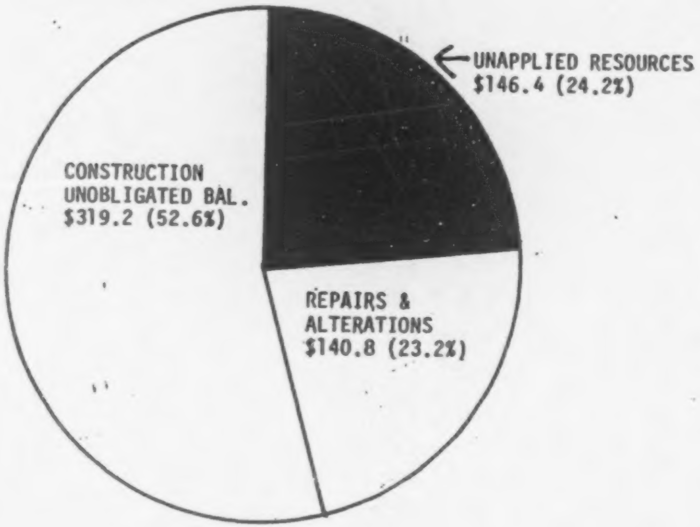
NOTE: Projections of FY 1984 reimbursable service reflect work requirements as anticipated by tenant agencies and communicated to GSA field activities. Tenant agencies have identified decreasing reimbursable work requirements for cleaning and other reimbursable services including construction and moving services. Such reductions in part, reflect reduced funding levels available to our tenant agencies for such services.

Prepared by:
Budget Division
1/27/83

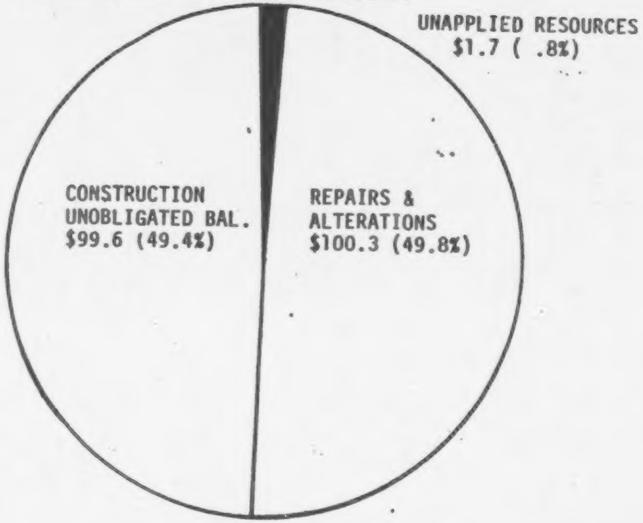
FEDERAL BUILDINGS FUND
FY 83 ($ in Millions)

FY-83 UNOBLIGATED LIMITATION/UNAPPLIED RESOURCES - DIRECT PROGRAM

FY-83 ($606.4 Total) Start of Year

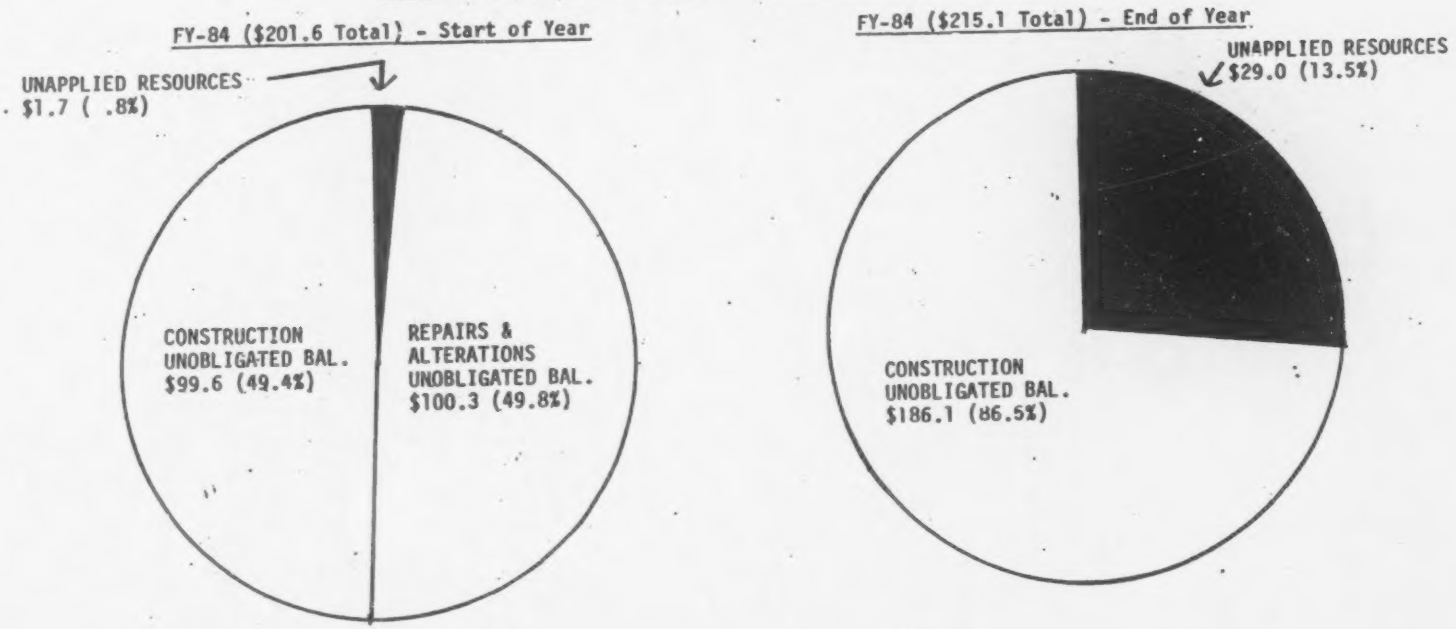


FY-83 ($201.6 Total) End of Year



FEDERAL BUILDINGS FUND
FY 84 ($ in Millions)

FY-84 UNOBLIGATED LIMITATION/UNAPPLIED RESOURCES - DIRECT PROGRAM



FY-84 ($201.6 Total) - Start of Year

FY-84 ($215.1 Total) - End of Year

General
Services
Administration
Washington, DC 20405

DEC 27 1982

Honorable Edward Roybal
Chairman, Subcommittee on Treasury
Postal Service, and General Government
Committee on Appropriations
House of Representatives
Washington, DC 20515

Dear Mr. Roybal:

Your approval is respectfully requested for the transfer, within the Federal Buildings Fund (FBF), of $36,000,000 from new obligational authority authorized in Fiscal Year 1983 and previous years to increase the President's Budget request of $770,000,000 for rental of space to $806,000,000. This transfer is requested pursuant to the authority granted by Section 5 of the General Services Administration, General Provisions of H.R. 7158 and S.2916 and the Joint Resolution, making continuing appropriations for the Fiscal Year 1983 and other purposes (P.L. 97-377 approved December 21, 1982).

The original Fiscal Year 1983 estimate for rental of space of $770,000,000 was based on the Administration's goal of reducing Government employment. It was believed at that time that the planned reduction in employment would lead to a corresponding reduction in space needs and that improved space utilization would be achieved in Fiscal Year 1983. This would have required that the leased space inventory be reduced by seven million square feet by the beginning of Fiscal Year 1983. This leased space reduction has not occurred as anticipated; however, GSA currently expects a new Federal Property Management Regulation to be issued for agency review and comment within the next few weeks, which would significantly reduce the space standards being utilized by agencies in determining the amount of space needed for personnel. GSA therefore expects a significant reduction in leased space to occur in future years. Until these actions which are now underway and those which we plan to implement, have a chance to work, we must have authority to pay for our currently occupied leased space inventory. We currently estimate the cost of maintaining that inventory to be $806,000,000 ($36,000,000 greater than the President's Budget Request) which assumes no net increase in the amount of space under lease.

We propose funding the increased costs of the rental of space activity through the transfer of new obligation authority from low priority construction and repairs and alterations projects which can be cancelled or delayed. A listing of such projects is enclosed for your review.

Transfer of new obligational authority is the only remaining option for funding FY 1983 requirements for rental payments and construction claims since the Congressionally mandated reduction of Standard Level User Charge rates has eliminated the usual method of funding these requirements from previously unauthorized FBF balances. I wish to emphasize that this action would in no way increase levels presently constrained by the Budget Resolution nor would there be any additional cost to the taxpayer.

The Office of Management and Budget has advised us that they are in agreement with our submission of this proposal and have so indicated below. Your favorable consideration of this request will be greatly appreciated.

Sincerely,

Ray Kline

Ray Kline
Acting Administrator

Annelise Anderson
Approved: Office of Management
and Budget

Enclosure

New Obligational Authority
Available for Transfer - FY 1983
($ in thousands)

Project Location/Name	Type 1/	Amount Appropriated (Yr.)	Amount Available for Transfer
Omaha, NB, FB	C	4,566 (FY 82)	$ 4,566
Redding, CA, FB	C	12,844 (FY 82)	12,844
Charlotte, NC, PO-CT	C	4,000 (FY 78)	2,400
Los Angeles, FB.	C	5,665 (FY 77)	5,538
Atlanta, GA, PO-CT	C	1,830 (FY 77)	1,817
Nashville, TN, Union Station	R&A	6,160 (FY 82)	5,968
Asheville, NC, Grove Arcade	R&A	550 (FY 83)	550
Little Rock, AR, PO-CT	R&A	1,370 (FY 83)	1,269
Minor R&A projects	R&A	105,000 (FY 83)	1,048
			$ 36,000

1/ C- New Construction or Acquisition projects.
R&A- Repairs and Alterations projects.

United States Senate
COMMITTEE ON APPROPRIATIONS
WASHINGTON, D.C. 20510

January 31, 1983

Mr. Gerald P. Carmen
Administrator
General Services Administration
18th and F Streets
Washington, D. C. 20405

Dear Mr. Administrator:

This is in response to your letter dated January 4, 1983, requesting approval to reprogram $36,000,000 from Construction and Repair and Alterations fund to cover a shortfall in leased space funds.

It is clearly obvious that the shortfall in funds to meet requirements to maintain the currently occupied leased space inventory was caused by basing the budget request on an anticipation that was not justifiable. Of all the appropriation accounts in GSA, this is certainly one that was not directly controllable. Furthermore, the request in your letter would increase the President's budget request for FY 1983 and normally should be the subject of a supplemental budget request.

It appears to the Committees that GSA either did not make strong enough a case to OMB in this matter, or OMB was not diligent enough in approving the budget request.

The Committees take strong exception to the statement contained in paragraph three of your letter that "the Congressionally mandated reduction of Standard Level User Charge rates has eliminated the usual method of funding these requirements from previously unauthoriz FBF balances." The Committees disagree that the FBF is a "slush" fund to be used to make up any shortfall that might result of inaccurate budget preparation and justification. It is requested that the Committees be advised of any instances in the past where funds have been used without authorization to meet shortfalls ~~as~~ referred to in your letter, together with justification for such action.

In view of the serious impact upon government commitments that might result from disapproval of this request, the Committees reluctantly approve the request.

It is requested that the Committees on Appropriations of the House and Senate be kept informed of the actions taken to resolve this problem. A full and complete report will be expected on this account at the end of FY 1983.

Sincerely,

Edward R. Roybal
Edward R. Roybal, Chairman
Treasury, Postal Service and
General Government Subcommittee
House of Representatives

James Abdnor
James Abdnor, Chairman
Treasury, Postal Service and
General Government Subcommitte
United States Senate

ER/JA:agp

cc: Honorable David A. Stockman,
Director, Office of Management
and Budget

STATEMENT BY CHARLES H. DEAN, JR.
CHAIRMAN, BOARD OF DIRECTORS
TENNESSEE VALLEY AUTHORITY
FOR THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE

Mr. Chairman and members of the Committee, we are pleased to provide this statement to assist the Committee in reporting to the Budget Committee on the $122.5 million requested by President Reagan in fiscal year 1984 for TVA.

The Environment and Public Works Committee, during oversight hearings two years ago, urged the TVA Board of Directors to assess the TVA management structure for the purpose of achieving greater efficiency and cutting costs. Let me say we have come a long way since then.

TVA is striving to be sensitive to the needs of the people of the Tennessee Valley, especially during a time of economic distress. By undertaking a variety of management initiatives designed to hold expenses to a minimum--labor and materials costs, for example, are being held to the same level for fiscal year 1983 as for fiscal year 1982--TVA was able to hold the increase in consumers' power bills to only 4.4 percent last October.

Since then we have identified additional revenue beyond our needs from our 1982 power operations, and will apply it as a $44 million credit to March power bills. This is a one-time reduction of 10 percent. Lower interest rates and reduced borrowings resulting from TVA's decision to cancel four nuclear generating units last year have decreased projected interest expenses. This, combined with improved power system performance, has allowed us to reduce rates between 5 and 6 percent from April 1 to September 30.

We feel that holding down rates despite inflationary pressures provides evidence that the Agency is getting its costs under control.

TVA's Office of Audit and Evaluation has been in operation for over a year. Costs questioned by the office in 1982 totaled $9.7 million. We are pleased to report that from 130 audits or investigations approximately 93 percent, or $9 million, have been recovered with an additional $0.3 million settled through negotiations.

A total of 21 major evaluations and management improvement projects were completed in 1982. The estimated nonrecurring (one-time) quantifiable benefits from this effort total $1.9 million. The estimated recurring annual benefits are $13.2 million.

TVA's cost management and responsibility reporting system, of which you were informed last year, has been expanded to include all areas of operation, including appropriated programs. Managers at all levels for all programs, regardless of funding source, can now compare monthly expenditure data to planned expenditures developed in the annual planning process as an aid in performance monitoring. With this tool, managers can identify quickly any significant deviations from the operating plan and take corrective action.

Mr. Chairman, for many the initials "TVA" have become almost synonymous with electricity. But from its inception 50 years ago, TVA's mission has been much broader: to improve the quality of life for residents of the Tennessee Valley to a level more nearly equal to that of the rest of the Nation.

In the half-century since the Act was passed, the Tennessee Valley has experienced substantial progress. Personal income has grown from less than half of the national average to three-fourths of the national level. Industries have been established in the region, partly because of TVA's regional development programs, offering job opportunities to local residents who were previously forced to leave home for northern industrial cities. Agriculture and forestry have become stronger, more productive links in the Valley economy with the help of TVA's cooperative programs in these areas. And the list goes on, covering the diverse responsibilities entrusted to TVA for helping to conserve and develop all the Valley's resources.

In the fields of energy, fertilizer, agriculture, natural resources, environmental protection, and economic development, TVA has developed and demonstrated countless innovations that have benefited persons across the United States and overseas. To serve as a "living laboratory" for the Nation has been one of TVA's proudest achievements during the past half-century.

TVA's work is not done. The problems of energy, food, environmental protection, and human resource development are different than in 1933, but perhaps more challenging. The fiscal year 1984 budget program is an attempt to be responsive to these continuing needs.

Natural Resources Development

The implementation of TVA's responsibilities has resulted in the acquisition of tremendous physical resources of land, buildings, locks and dams, generating stations, roads, receation facilities, laboratories, and other real property. TVA's programs are directed at the proper maintenance and use--stewardship--of these resources. All of this property, especially the land, is regarded by TVA as an asset of the American people entrusted to TVA for proper care and use. This philosophy of stewardship, combined with TVA's unique range of capabilities and knowledge, makes possible an approach that fully uses these resources for the benefit of the Valley and the Nation today while preserving and enhancing their value to future generations.

As the custodian of a unified system of 58 reservoirs in the Tennessee Valley and the Cumberland River Basin, TVA must operate these resources for flood control, navigation, and power production. Fisheries, wildlife, recreation, and other water uses are also promoted and preserved by TVA to the extent they are consistent with TVA's primary purposes. TVA approaches its task with the intent of harmonizing economic and environmental interests. Some of the programs which safeguard and improve TVA's natural resources are:

o Regional water management, focusing on water quality in TVA reservoirs, encouraging Valley States to correct water quality problems adversely affecting the region's waters, and, in concert with the States, identifying water quality and quantity constraints preventing full beneficial use of the Valley's surface and ground water.

o Multipurpose reservoir operations of the TVA integrated water control system, including water control operations that manage daily releases from the reservoir system to control water flow, dam safety and maintenance, and reservoir land planning involving single and multiple land-use allocations for TVA land tracts.

- o *Reservoir releases improvement*, testing alternative measures to improve the dissolved oxygen content in water released through dams where dissolved oxygen is naturally low during the late summer and early fall.

- o *Forestry resources*, designed to promote wise management and use of the Valley's timber. Presently underused, this resource has potential for new and expanding forest industries and for direct combustion and alcohol fuel energy uses. The technology developed in this program is transferred to Valley States, the U.S. Forest Service, and the private sector for implementation.

Economic and Community Resources

TVA's economic and community resources program assists communities in developing strong local economies that provide private sector jobs through: limited, if any, direct financial assistance; self-reliance, not dependency; technical assistance dependent upon local, State, or private sector commitments; eliminating programs no longer needed or turning over responsibility to others; strengthening private enterprise as a major focus; and routine collaboration with the private sector and other governmental entities. Relationships are flexible and pragmatic.

TVA's efforts have helped local people pump new life into decaying downtown business districts, recapture a spirit of community self-confidence and direction, develop cooperative business enterprises, and avoid the economic losses of recurring floods, among many other "self-help" endeavors. Assistance is in response to specific needs. These efforts consciously avoid the massive infusion of Federal money or regulation, and respond to local decisions and initiative.

Among the principal economic and community development programs are these:

- Skills development, assisting and implementing training programs that produce a more skilled labor force capable of assuming jobs predominantly with incoming and expanding high- and medium-technology industries.

- Special opportunities counties and cities, helping to stimulate investment in the region's poorest, least developed areas, leading to the expansion of private sector employment. TVA helps with the design and implementation of local development strategies to reverse downward economic trends in targeted areas.

- Navigation development and engineering assistance, through which TVA advises communities, development agencies, and businesses on further development of the Tennessee River waterway and provides engineering assistance to those who seek it.

- Economic development and analysis, providing communities reliable economic and demographic data that is drawn primarily from sources and data developed through the management of TVA's power system.

- Floodplain management, in which TVA equips communities and individual decisionmakers with the capacity to plan for proper use of the floodplain and thereby stimulate economic growth while avoiding future flood damage.

Agricultural Resource Development

TVA will continue to strengthen the agricultural resources of the Valley by upgrading agricultural efficiency, productivity, and income. To do this TVA has introduced new technologies, including conservation, improved fertilizers, high-value crops, farm management systems, and marketing innovations. TVA's agricultural development program is founded on the concept of cooperation among TVA, State land-grant universities, the U.S. Extension Service, and Valley farmers. TVA pursues a limited number of its program objectives through its direct staff, and sometimes also provides seed money to stimulate involvement of other agricultural interests.

TVA is currently working with various agencies on overcoming major soil erosion problems in the western part of the Valley region. Goals are to reduce the loss of valuable topsoil, reverse the decline in yields of cash crops, restore and conserve plant nutrients, and increase farm income.

National Fertilizer Development

TVA's fertilizer research and development program, managed by the National Fertilizer Development Center in Muscle Shoals, Alabama, will continue to develop efficient, lower cost fertilizers using environmentally safe processes requiring less energy. About three-fourths of the 50 million tons of fertilizer used in the United States annually is made with the aid of TVA research efforts.

The National Fertilizer Development Center's mission includes (1) developing better fertilizers, (2) creating more efficient ways to manufacture them, (3) finding ways to use fertilizers more effectively, and (4) making available new technology to chemists, engineers, soil scientists, educators, and market specialists.

Major efforts in fiscal year 1984 will concentrate on improving nitrogen fertilizer efficiency and conservation in phosphate processing. Some of the programs included in TVA's budget request are:

- Phosphate enhancement, a research program designed to convert low-grade phosphate rock into fertilizer. Phosphate is an essential ingredient in modern fertilizers, producing early maturity in plants, increasing root growth, and supporting the reproductive capability of plant life.

- Ammonia-from-coal pilot plant, which began operation in fiscal year 1983, demonstrating modern industry-developed coal gasification technology which can provide an alternative to natural gas as a feedstock for making ammonia, the source of nearly all nitrogen in fertilizers.

- Hardwood fuels research, involving the development, in collaboration with the U.S. Forest Products Laboratory, of a viable process using acid hydrolysis for production of ethanol from wood. Development of a technology to increase the alcohol yield from 40 gallons per ton of wood to 80 gallons would go far toward making this an economically desirable product.

- Nitrogen fertilizer efficiency, increasing effort to save about 40 billion cubic feet of natural gas and $236 million for farmers using nitrogen fertilizer. TVA is working to develop fertilizers which, when combined with streamlined farming practices, will achieve a 10 percent gain in nitrogen-use efficiency by 1990.

Conclusion

These are the highlights of TVA's fiscal year 1984 budget program. TVA believes it to be a reasonable approach to carrying out the responsibilities vested in TVA by Congress.

Attached to this statement is material that addresses President Reagan's budget request for fiscal year 1984 in greater detail.

TENNESSEE VALLEY AUTHORITY

Budget Summary
(In thousands of dollars)

	1982 Actual	1983 Estimate	1984 Estimate
Obligations:			
Appropriations......................	176,433	210,642	122,500
Power proceeds and borrowings......	4,746,000	5,443,000	5,456,000
Nonpower proceeds..................	56,472	80,075	53,260
Total obligations.............	4,978,905	5,733,717	5,631,760
New appropriations..................	129,162	176,433	75,229
Deferred from 1983 to 1984[1]..........		-47,271	47,271
Program total[2]................		129,162	122,500

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1. The President's budget for fiscal year 1984 requests that $122.5 million be made available to TVA, $47.3 million of which shall be derived from funds provided by section 101(f) of the Continuing Appropriations Act (as distinct from funds provided in previous years that TVA has carried forward to fiscal year 1983) which will be deferred until September 30, 1983.

2. The programs proposed are being carried out under the TVA Act of 1933, and no new legislation is needed.

TENNESSEE VALLEY AUTHORITY

Budget Financed from Appropriations
(In thousands of dollars)

	1982 Actual	1983 Estimate	1984 Estimate
Natural resources			
Capital investment	34,078	40,605	24,305
Operating expenses	30,085	35,429	35,715
Total natural resources	64,163	76,034	60,020
Economic and community resources			
Capital investment	1,516	5,200	610
Operating expenses	15,243	13,866	12,840
Total economic and community resources	16,759	19,066	13,450
Agricultural resource development			
Operating expenses	3,939	5,270	3,955
National energy demonstrations			
Capital investment	37,355	62,818	-
Operating expenses	11,231	800	-
Total national energy demonstrations	48,586	63,618	-
National fertilizer development			
Capital investment	12,171	5,872	6,827
Operating expenses	28,311	33,746	34,640
Total national fertilizer development	40,482	39,618	41,467
General services			
Capital investment	226	6,036	3,013
Operating expenses	1,532	1,000	595
Inventories, property transfers, and long-term receivables	746	-	-
Total general services	2,504	7,036	3,608
Total budget financed from appropriations	176,433	210,642	122,500
Financing:			
Appropriations	129,162	176,433	75,229
Unobligated balance brought forward	128,751	81,480	47,271
Unobligated balance carried forward	-81,480	-47,271	-
Total financing	176,433	210,642	122,500

TENNESSEE VALLEY AUTHORITY

Budget Financed from Power Proceeds and Borrowings

(In millions of dollars)

	1982 Actual	1983 Estimate	1984 Estimate
Power supply and use			
Capital investment......................	-39*	1,645	1,560
Operating expenses......................	3,413	3,966	3,971
Inventories, deferred charges, and investment funds......................	1,372**	-168	-75
Total financed from power proceeds and borrowings....................	4,746	5,443	5,456

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*This number includes a credit of $1,554 million for the cost of canceled generating units. The cost is being deferred and written off as an operating expense over a period not to exceed ten years.

**Includes $1,085 million deferred costs as a result of the canceled nuclear generating units.

Natural Resources

TVA's natural resources program is designed to continue to develop and maintain its extensive system of locks, dams, reservoirs, and related lands and to encourage, through example and technical assistance, the wise use and/or protection of the natural resources of the Valley, including the land, air, water, wildlife, and forests.

	In Thousands of Dollars		
	1983 Estimate	1984 Estimate	% Change
Capital investment			
New lock at Pickwick Landing Dam..........................	23,230	21,000	-10
Columbia Dam and Reservoir....	12,159	-	-100
Additions and improvements....	4,809	3,015	-37
Other.........................	407	290	-29
Total....................	40,605	24,305	-40

Construction of the Pickwick Lock is expected to be completed within the previously estimated total cost of $165 million. The date for lock operation is now estimated to be October 1984, with project completion in August 1986. (These dates reflect a 6-month and 12-month delay, respectively, from dates previously reported.)

Additional funding needed for construction of the Columbia Dam and Reservoir will be determined following evaluation by the U.S. Fish and Wildlife Service of the results of TVA's mussel transplant program.

Reduced funding for additions and improvements in 1984 reflects completion of the Tellico Dam and Reservoir.

Reductions in the other category principally reflect lower levels of capital investment at Land Between The Lakes.

	In Thousands of Dollars		
	1983 Estimate	1984 Estimate	% Change
Operating expenses			
Water resources................	3,103	2,920	-6
Reservoir system operations...	19,597	19,490	-1
Land and forest resources.....	3,805	4,059	+7
Resource management and development support...........	2,689	2,541	-6
Land Between The Lakes........	6,235	6,705	+8
Total....................	35,429	35,715	+1

Water resources activities are consistent except within the fisheries program where commercial fishing demonstrations are being phased out and waste heat aquaculture research curtailed.

Reservoir system operations activities appear to be constant dollars, but internally TVA has committed a greater share of funds for dam safety inspection and maintenance.

Land and forest resources activities increase is primarily for increased management of reservoir wetlands and dewatering areas for waterfowl.

The reduction in resource management and development support is a result of newly implemented streamlined methods of administering TVA's compliance with Federal regulations affecting its appropriated programs and the initiation of service fees in handling some property transfers.

Land Between The Lakes activities are largely consistent with 1983 levels adjusted for inflation.

Economic and Community Resources

TVA's community economic development program operates on the basic principle that a community must decide for itself what its goals are, coupled with the principle that TVA's efforts are directed toward fostering greater self-reliance in implementing developmental objectives. TVA, principally through technical assistance, helps the community identify barriers to economic progress, and prepare and implement strategies to overcome the barriers.

	In Thousands of Dollars		
	1983 Estimate	1984 Estimate	% Change
Capital investment			
Economic resources............	4,200	-	-100
Community resources...........	1,000	610	-39
Total....................	5,200	610	-88

The economic resources reduction is a result of completion in 1983 of improvements to Yellow Creek Port.

The community resources reduction is a reflection of less emphasis on floodplain management facilities as TVA's strategy to aid in reducing local flooding.

	In Thousands of Dollars		
	1983 Estimate	1984 Estimate	% Change
Operating expenses			
Economic resources............	9,186	8,160	-11
Community resources...........	4,680	4,680	-
Total....................	13,866	12,840	-7

The decrease in economic resources results from the completion of special demonstration activities utilizing additional funding supplied by the Congress in 1983 for these purposes.

Community resources programs are consistent with those in 1983, although the projected number of Townlift projects will be reduced from prior-year levels.

Agricultural Resource Development

TVA's role in upgrading agricultural efficiency, productivity, and income has been to introduce new technologies, including conservation, improved fertilizers, high-value crops, farm management systems, and marketing innovations. TVA's agricultural resource development program is founded on the concept of active cooperation among TVA, State land-grant universities, the U.S. Extension Service, and Valley farmers.

	In Thousands of Dollars		
	1983 Estimate	1984 Estimate	% Change
Operating expenses			
Total......................	5,270	3,855	-27

The decrease in agricultural resource development results from reduced activities in soil erosion control work in west Tennessee, northern Mississippi, western Kentucky, and Alabama in 1984. This work was accelerated in 1983 at the request of the Congress.

National Fertilizer Development

The National Fertilizer Development Center's mission includes (1) developing better fertilizers, (2) creating more efficient ways to manufacture them, (3) finding ways to use fertilizers more effectively, and (4) making new technology available to the agriculture community. For fiscal year 1984 the total budget for this program is $73,051 thousand, 43 percent of which is self-financed with user fees. The following discussion deals with that part of the program financed with appropriations.

	In Thousands of Dollars		
	1983 Estimate	1984 Estimate	% Change
Capital investment			
Chemical facilities...........	5,689	6,530	+15
Ammonia from coal.............	183	297	+62
Total....................	5,872	6,827	+16

The net change in the funding level for chemical facilities is due primarily to the completion of the curtain granulation unit in fiscal year 1983, offset by the addition of fluid fertilizer storage facilities and beginning construction of a demonstration of new energy-efficient fertilizer processes in 1984.

The experimental ammonia from coal project has required a number of unplanned modifications. The increased capital budget provides for replacement of necessary equipment.

	In Thousands of Dollars		
	1983 Estimate	1984 Estimate	% Change
Operating expenses			
Fertilizer R&D and introduction.................	25,506	25,742	+1
Ammonia from coal process.....	4,309	6,025	+40
Hardwood fuels research.......	3,931	2,873	-27
Total....................	33,746	34,640	+3

Activities for fertilizer R&D and introduction in 1984 are consistent with those planned in 1983.

Developmental operation, including performance testing for the ammonia from coal facility, will increase in 1984, thereby allowing greater use of the research facility.

Hardwood fuels research was intensified in 1983 utilizing a dual approach involving continuing laboratory work, and initiation of equipment procurement and construction of a research test facility. This work will be largely completed in 1983.

Power Supply and Use

The TVA power program is financed by revenues from the sale of power and proceeds from bonds secured by future revenues. TVA's borrowings are obligations of TVA's ratepayers, not the U.S. Government. The program serves an area with more than seven million residential, commercial, and industrial consumers. All residential consumers and most of the others receive service from 160 municipal and cooperative distributors. TVA serves directly 46 large industrial customers and 10 major Federal facilities.

	In Millions of Dollars		
	1983 Estimate	1984 Estimate	% Change
Capital investment..............	1,645	1,560	-5
Operating expenses..............	3,966	3,971	-
Inventories, deferred charges, and investment funds...........	-168	-75	-45
Total......................	5,443	5,456	-

Capital investment in new generating units and at other power facilities will continue in fiscal year 1984 at approximately the same rate as in fiscal year 1983. However, real investment expenditures in fiscal year 1984 will be less than in fiscal year 1983 due to expected inflationary increases in costs of labor and materials. (Both the 1983 and 1984 estimates for capital investments reflect the cancellation or deferral of eight nuclear generating units.)

Higher interest and fuel expenses in fiscal year 1984's power operations (operating expenses) are expected to be offset principally by increased nuclear generation, which is less expensive than coal-fired generation.

The $93 million increase in inventories, deferred charges, and investment funds in 1984 results both from small projected increases in fuel inventories, supplies and materials stocks, and deferred investments in uranium reserves and to a decline from fiscal year 1983 in the amount of change in unamortized investment in canceled nuclear units.

General Services

	In Thousands of Dollars		
	1983 Estimate	1984 Estimate	% Change
Capital investment			
General facilities............	6,036	3,013	-50
Operating expenses			
General services..............	1,000	595	-40
Total..................	7,036	3,608	-49

Both general facilities and general services expenses reflect reduced funding in 1984. These reductions are consistent with planned needs of general-use support equipment utilized in all TVA programs and reduced expenses planned for miscellaneous expenses for emergency preparedness and maintenance of bridges across five TVA dams.

Budget Issues

Fiscal year 1984 proposed funding level

Carryforward from fiscal year 1983	$47,271,000
1984 budget authority	75,229,000
Total obligations (proposed funding level)	122,500,000

Fiscal year 1983 continuing resolution level

Planned obligations	129,162,000
Deferred until fiscal year 1984	47,271,000
Total 1983 continuing resolution level	176,433,000

Fiscal year 1984 new initiatives

TVA's fiscal year 1984 budget request contains no new initiatives.

Fiscal year 1984 anticipated rescissions and/or deferrals

TVA's fiscal year 1984 budget request contains no rescissions or deferrals.

Economic assumptions and spendout rate

The economic assumptions for outyear planning of appropriations-financed activities were supplied by OMB. The data is as follows:

	1984	1985	1986	1987	1988
GNP deflator	5.3	4.9	4.7	4.5	4.5

In the absence of large appropriations-financed construction projects, TVA will generally utilize all funds in the fiscal year for which they were appropriated.

Outyear (fiscal year 1985 and beyond) program changes or funding levels

Outyear estimates for program expenses reflect no significant changes. However, in the 1985-1988 time period TVA will complete the new lock now under construction at Pickwick Landing Dam, continue construction of the Columbia Dam and Reservoir (this is contingent on TVA demonstrating likely success with the mussel transplant program to the U.S. Fish and Wildlife Service in 1983, and the availability of funds), and possibly beginning construction of an additional lock at another TVA multipurpose dam.

TVA estimates for budget authority to support current services for the 1985-1988 time period submitted to OMB are as follows:

	In Millions of Dollars			
	1985	1986	1987	1988
Budget authority	124	121	122	128

Personnel Data

The personnel estimates shown here reflect the needs of the programs requested by TVA, and the change from 1983 to 1984 will not adversely affect TVA's ability or the time it will take to carry out these programs.

	1983	1984
Total number of full-time permanent employees..........	14,905	14,800
Total full-time equivalent employment..................	40,605	39,553
Average grade, grades established by the Board of Directors..	4.97	4.97
Average salary, grades established by the Board of Directors..	$24,956	$25,704

February 15, 1983

BB3025.01

TENNESSEE VALLEY AUTHORITY

Budget Summary
(In thousands of dollars)

	1982 Actual	1983 Estimate	1984 Estimate
Obligations:			
Appropriations	176,433	210,642	122,500
Power proceeds and borrowings	4,746,000	5,443,000	5,456,000
Nonpower proceeds	56,472	80,075	53,260
Total obligations	4,978,905	5,733,717	5,631,760
New appropriations	129,162	176,433	75,229
Deferred from 1983 to 1984		-47,271	47,271
Program Total		129,162	122,500

The Tennessee Valley Authority, since its creation in 1933, has been concerned with the natural and human resource development of this region. The broad range of TVA activities has included electrification, navigation, flood control, water quality, forestry, agriculture, soil erosion, industrial development, and recreation.

While the Tennessee Valley region has changed greatly in the period 1933-1983, TVA still retains the fundamental responsibility for the generation and sale of electricity and the operation, maintenance, and further development of the Tennessee River system and its tributaries for navigation and flood control. In general, TVA now exercises its other responsibilities in cooperation with other Federal, State, local, and private entities.

The following sections highlight TVA's budget program for 1984 in comparison with the 1983 budget program approved by the Congress.

TENNESSEE VALLEY AUTHORITY

Budget Financed from Appropriations
(In thousands of dollars)

	1983 Estimate	1984 Estimate
Natural resources		
Capital investment	40,605	24,305
Operating expenses	35,429	35,715
Total natural resources	76,034	60,020
Economic and community resources		
Capital investment	5,200	610
Operating expenses	13,866	12,840
Total economic and community resources	19,066	13,450
Agricultural resource development		
Operating expenses	5,270	3,955
National energy demonstrations		
Capital investment	62,818	-
Operating expenses	800	-
Total national energy demonstrations	63,618	-
National fertilizer development		
Capital investment	5,872	6,827
Operating expenses	33,746	34,640
Total national fertilizer development	39,618	41,467
General services		
Capital investment	6,036	3,013
Operating expenses	1,000	595
Total general services	7,036	3,608
Total budget financed from appropriations	210,642	122,500
Financing:		
Appropriations	176,433	75,229
Unobligated balance brought forward	81,480	47,271
Unobligated balance carried forward	-47,271	-
Total financing	210,642	122,500

TENNESSEE VALLEY AUTHORITY

Budget Financed from Power Proceeds and Borrowings

(In millions of dollars)

	1983 Estimate	1984 Estimate
Power supply and use		
Capital investment	1,645	1,560
Operating expenses	3,966	3,971
Inventories, deferred charges, and investment funds	-168	-75
Total financed from power proceeds and borrowings	5,443	5,456

Natural Resources

TVA's natural resources program is designed to continue to develop and maintain its extensive system of locks, dams, reservoirs, and related lands and to encourage, through example and technical assistance, the wise use and/or protection of the natural resources of the Valley, including the land, air, water, wildlife, and forests.

	In Thousands of Dollars		
	1983 Estimate	1984 Estimate	% Change
Capital investment			
New lock at Pickwick Landing Dam	23,230	21,000	-11
Columbia Dam and Reservoir	12,159	-	-100
Additions and improvements	4,809	3,015	-60
Other	407	290	-29
Total	40,605	24,305	-40

Construction of the Pickwick Lock is expected to be completed within the previously estimated total cost of $165 million. The date for lock operation is now estimated to be October 1984, with project completion in August 1986. (These dates reflect a 6-month and 12-month delay, respectively, from dates previously reported.)

Additional funding needed for construction of the Columbia Dam and Reservoir will be determined following evaluation by the U.S. Fish and Wildlife Service of the results of TVA's mussel transplant program.

Reduced funding for additions and improvements in 1984 reflects completion of the Tellico Dam and Reservoir.

Reductions in the other category principally reflect lower levels of capital investment at Land Between The Lakes.

	In Thousands of Dollars		
	1983 Estimate	1984 Estimate	% Change
Operating expenses			
Water resources................	3,103	2,920	-6
Reservoir system operations...	19,597	19,490	-1
Land and forest resources.....	3,805	4,059	+7
Resource management and development support...........	2,689	2,541	-6
Land Between The Lakes........	6,235	6,705	+8
Total....................	35,429	35,715	+1

Water resources activities are consistent except within the fisheries program where commercial fishing demonstrations are being phased out and waste heat aquaculture research curtailed.

Reservoir system operations activities appear to be constant dollars, but internally TVA has committed a greater share of funds for dam safety inspection and maintenance.

Land and forest resources activities increase is primarily for increased management of reservoir wetlands and dewatering areas for waterfowl.

The reduction in resource management and development support is a result of newly implemented streamlined methods of administering TVA's compliance with Federal regulations affecting its appropriated programs and the initiation of service fees in handling some property transfers.

Land Between The Lakes activities are largely consistent with 1983 levels adjusted for inflation.

Economic and Community Resources

TVA's community economic development program operates on the basic principle that a community must decide for itself what its goals are, coupled with the principle that TVA's efforts are directed toward fostering greater self-reliance in implementing developmental objectives. TVA, principally through technical assistance, helps the community identify barriers to economic progress, and prepare and implement strategies to overcome the barriers.

	In Thousands of Dollars		
	1983 Estimate	1984 Estimate	% Change
Capital investment			
Economic resources.............	4,200	-	-100
Community resources............	1,000	610	-39
Total.....................	5,200	610	-39

The economic resources reduction is a result of completion in 1983 of improvements to Yellow Creek Port.

The community resources reduction is a reflection of less emphasis on floodplain management facilities as TVA's strategy to aid in reducing local flooding.

	In Thousands of Dollars		
	1983 Estimate	1984 Estimate	% Change
Operating expenses			
Economic resources.............	9,186	8,160	-11
Community resources............	4,680	4,680	-
Total.....................	13,866	12,840	-7

The decrease in economic resources results from the completion of special demonstration activities utilizing additional funding supplied by the Congress in 1983 for these purposes.

Community resources programs are consistent with those in 1983, although the projected number of Townlift projects will be reduced from prior-year levels.

Agricultural Resource Development

TVA's role in upgrading agricultural efficiency, productivity, and income has been to introduce new technologies, including conservation, improved fertilizers, high-value crops, farm management systems, and marketing innovations. TVA's agricultural resource development program is founded on the concept of active cooperation among TVA, State land-grant universities, the U.S. Extension Service, and Valley farmers.

	In Thousands of Dollars		
	1983 Estimate	1984 Estimate	% Change
Operating expenses			
Total........................	5,270	3,855	-27

The decrease in agricultural resource development results from reduced activities in soil erosion control work in west Tennessee, northern Mississippi, western Kentucky, and Alabama in 1984. This work was accelerated in 1983 at the request of the Congress.

National Fertilizer Development

The National Fertilizer Development Center's mission includes (1) developing better fertilizers, (2) creating more efficient ways to manufacture them, (3) finding ways to use fertilizers more effectively, and (4) making new technology available to the agriculture community.

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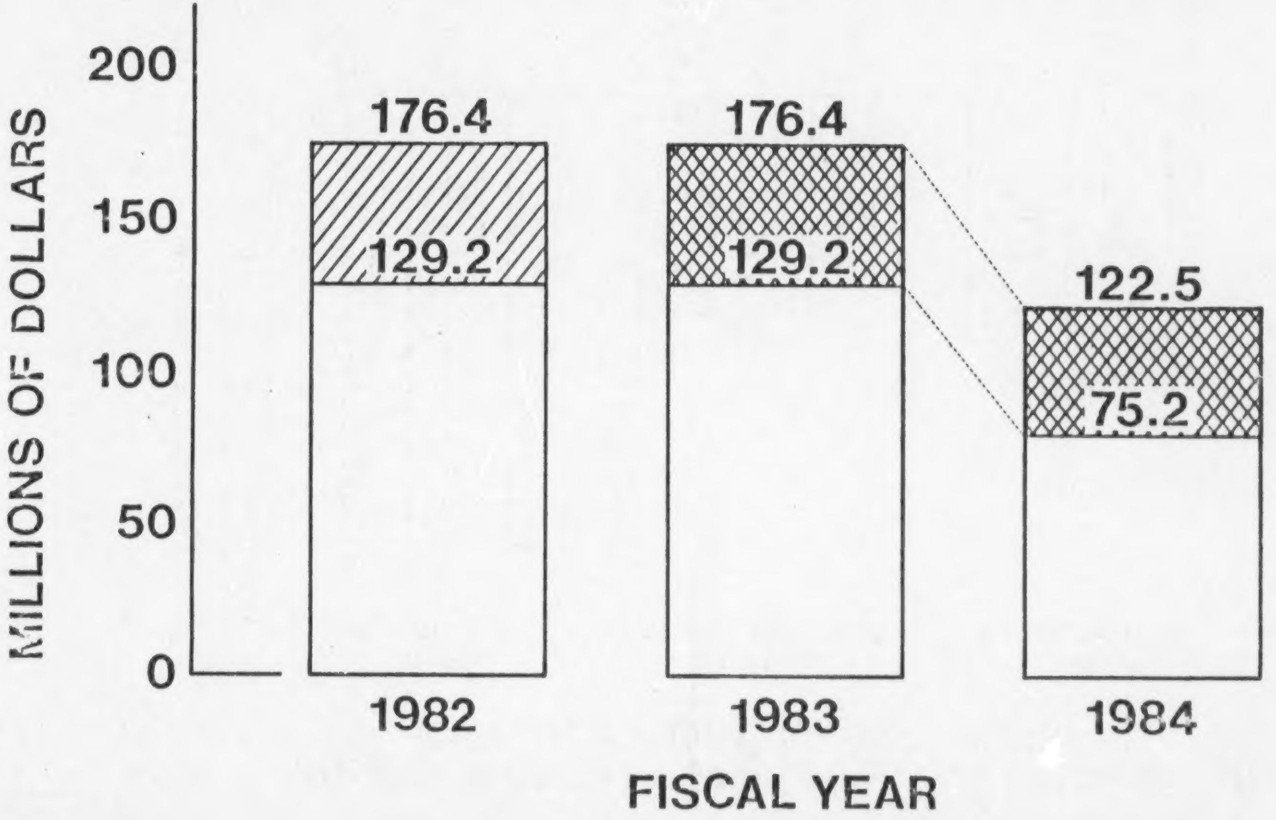
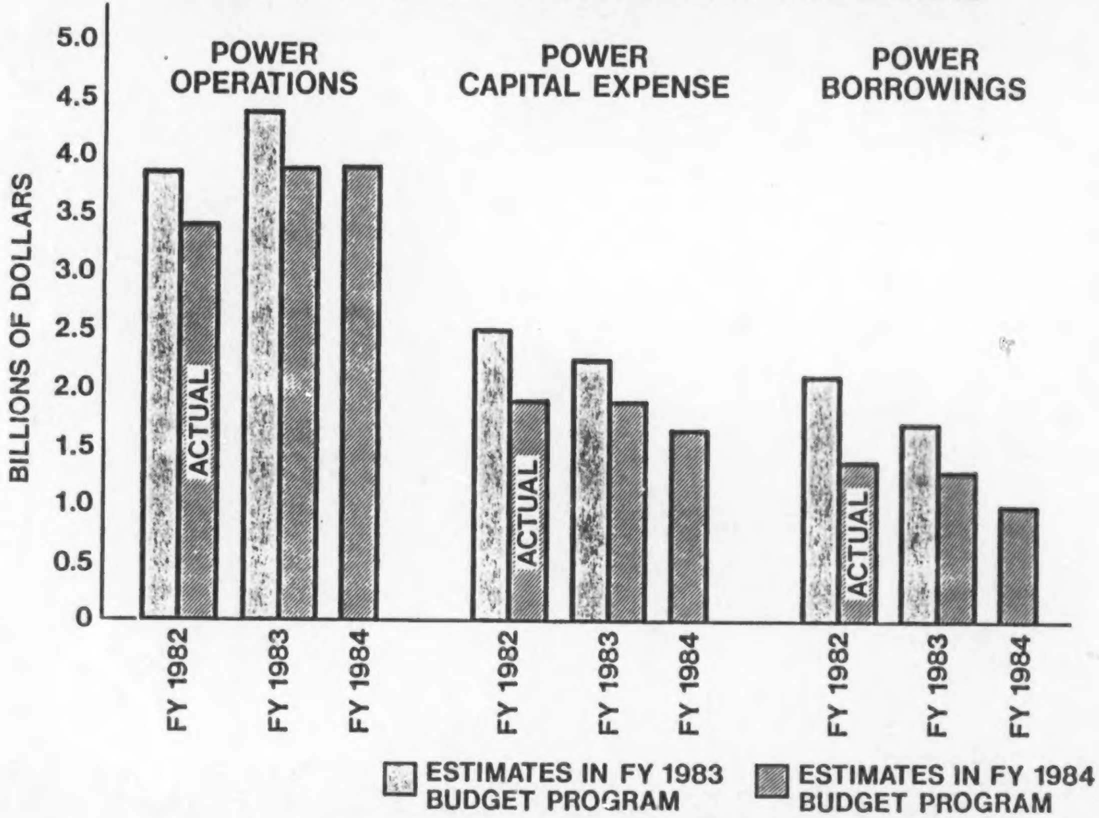
TVA APPROPRIATED FUNDING

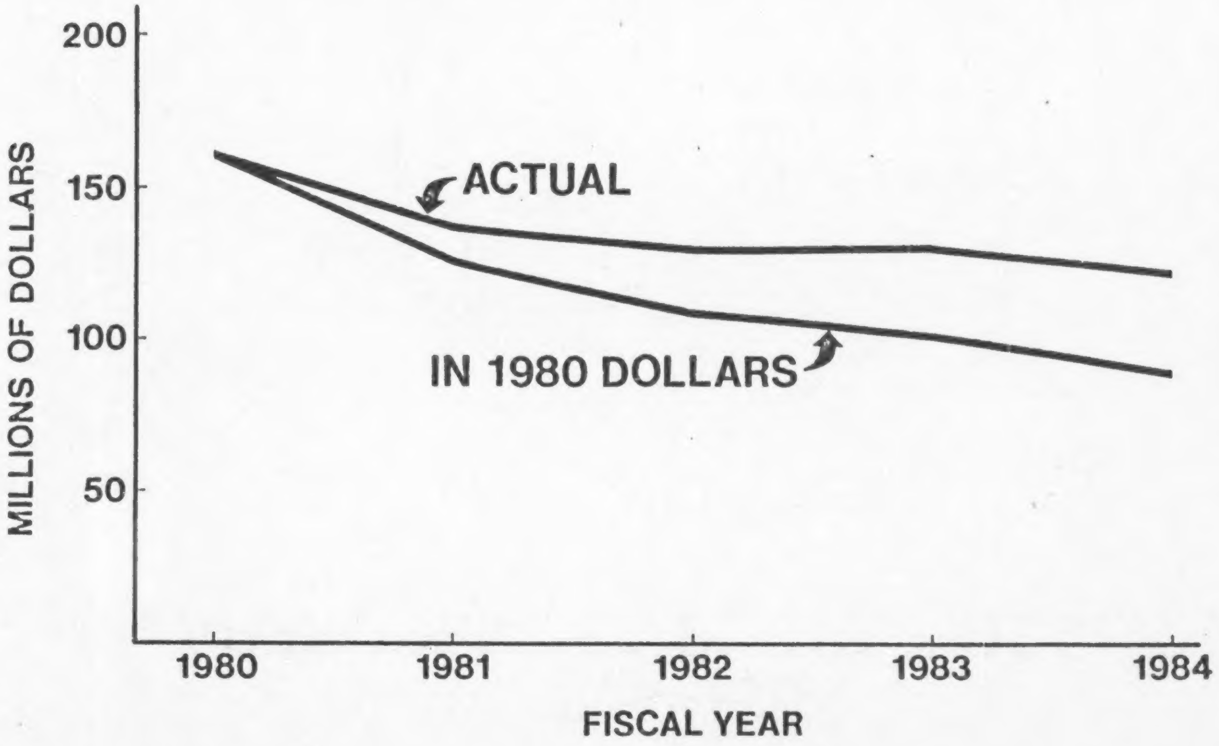


COMPARISON OF TVA POWER PROGRAM ESTIMATES IN FY 1983 AND FY 1984 BUDGET PROGRAMS



TREND OF APPROPRIATED FUNDS

(EXCLUSIVE OF COAL GASIFICATION)



TVA 1984
APPROPRIATED BUDGET DOLLAR